

CITY OF ALBANY, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Prepared by:
Department of Finance and Administrative Services

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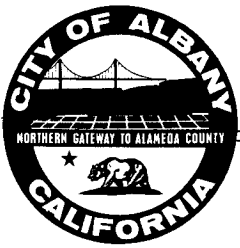
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City of Albany

1000 SAN PABLO AVENUE • ALBANY, CALIFORNIA 94706-2295

December 29, 2009

Honorable Mayor and
Members of the City Council
City of Albany, California

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**COMMUNITY DEVELOPMENT &
ENVIRONMENTAL RESOURCES**

- Building
- Engineering
- Environmental Resources
- Maintenance
- Planning

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**FINANCE & ADMINISTRATIVE
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CITY TREASURER

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**FIRE & EMERGENCY MEDICAL
SERVICES**

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**RECREATION & COMMUNITY
SERVICES**

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- Friendship Club/
Childcare Program
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- Senior Center
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- Teen Center
PH. (510) 525-0576

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Albany for the fiscal year ended June 30, 2009. This report consists of management's representations concerning the finances of the City of Albany. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Albany has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse, and to compile reliable information for the preparation of the City of Albany's financial statements, in conformity with United States generally accepted accounting principles (GAAP).

The cost of internal controls should not outweigh their benefits; therefore, the City of Albany's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Caporicci & Larson, a firm of licensed certified public accountants, has audited the accompanying City of Albany's financial statements. The goal of their independent audit was to provide reasonable assurance that the financial statements of the City of Albany, for the fiscal year ended June 30, 2009, are free of material misstatement. Their independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Albany's financial statements for the fiscal year ended June 30, 2009 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The engagement for this independent audit of the financial statements of the City of Albany includes performance of a "Single Audit" designed to meet the special needs of federal grantor agencies. For the year ended June 30, 2009 the City's expenditures of federal funds met the level required to perform the Single Audit. The independent auditors' Single Audit is reported separately from the CAFR.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Albany's MD&A can be found immediately following the report of the independent auditors.

The City of Albany is dedicated to maintaining its small town ambience, responding to the needs of the community, and providing a safe, healthy environment now and in the future.



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AWARDS

The City of Albany's CAFR for the year ended June 30, 2008 was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). This was the fifteenth consecutive year that the City has received this prestigious award that is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and acceptable legal requirements.

The GFOA certificate is valid for a period of one year only. We believe that our current CAFR continues to meet the certificate award requirements, and we shall submit it to the GFOA for review and consideration for award.

PROFILE OF THE CITY

The City lies in the northwestern corner of Alameda County, bordered by the cities of El Cerrito and Richmond on the north and the City of Berkeley on the east and south sides. The most distinguishing geographical feature in the city is Albany Hill, which anchors the northwest corner of the city. The City was incorporated in 1908 as the City of Ocean View, but the name was changed to Albany in 1909. In 1927 the City adopted its first charter, giving the City full control over its own affairs as long as there is no conflict with state or federal laws.

The City is governed by a five-member City Council who annually elects a council member to serve as Mayor. Council members serve four year staggered terms. Other elected officials are the City Treasurer and the City Attorney. A City Administrator is appointed by the Council to carryout the policies and ordinances of the Council and to supervise the daily activities of City employees.

The City provides a full range of services including police and fire protection, paramedic service, street and sewer maintenance, recreational activities and cultural events. A public library is operated by the County of Alameda, in facilities provided by the City.

The 2000 Census reported the following demographic information for the City:

❖ Population	16,444	
❖ Race		
○ White	9,461	57.6%
○ Asian	4,094	24.9%
○ Hispanic (any race)	1,312	8.0%
○ African American	644	3.9%
○ Other	153	.9%
○ Two or more races	780	4.7%
❖ Sex	Male 46.6%, Female 53.4%	
❖ Age		
○ Under 5 years		6.0%
○ 5 to 17 years		16.8%
○ 18 to 64 years		66.1%
○ 65 years and over		11.1%
❖ Housing Occupancy		
○ Occupied housing units	7,011	
○ Owner occupied	3,550	50.6%
○ Renter occupied	3,461	49.4%
❖ Highest Education (25 years and over)		
○ High school graduate		10.9%
○ Bachelor's degree		30.0%
○ Graduate or professional degree		34.0%

The estimated population of the City at January 1, 2009 was 16,884.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The City of Albany maintains its financial records and prepares financial statements in accordance with generally accepted accounting principles applicable to governmental entities. The general ledger accounts of the City are organized on the basis of funds with each fund considered an individual accounting entity. The funds are categorized into three major fund types: Governmental, Proprietary and Fiduciary.

A biannual operating budget and a capital improvement program budget are adopted by the City Council prior to the beginning of the fiscal year, with budget reviews and revisions occurring within the fiscal year when necessary. The City Council may amend the budget through resolution or minute action throughout the fiscal year. In addition, the City Administrator and the Finance & Administrative Services Director may approve intrafund and interfund line-item transfers throughout the year, provided that the interfund transfer does not exceed the total initial appropriation. Operating appropriations not expended within the fiscal year are not carried over to the following fiscal year. Capital improvement program funds not expended within the fiscal year are carried forward each fiscal year until the project is completed or terminated.

Internal accounting controls that have been previously developed and implemented, as well as any new controls adopted during the year, are reviewed annually, to ensure that they provide for reasonable safeguarding of assets and reliability of financial records. To the extent feasible, the City maintains separation of duties so that no individual has access to both the City's assets and the City's accounting records. Additional accounting and administrative controls in place include dual custody check writer keys, serial numbered purchase orders, protected check stock, fund transfer restrictions, monthly bank account reconciliation, review of payroll registers, and restricted access to computer programs and files.

REPORTING ENTITY

As of June 30, 2009, four separate legal entities exist, which are controlled by or dependent upon the City of Albany. These entities are:

- ❖ ***The City of Albany Police and Fire Relief or Pension Plan*** is a separate legal trust established to provide pension benefits for eligible City employees. The Trust's governing board is comprised of the Mayor or designee, City Treasurer, City Clerk, Fire and Police representatives and appointed alternates. All accounting and administrative functions are performed by the City and the financial activities of the Trust are included in the accompanying financial statements as the Police and Fire Pension Trust Fund.
- ❖ ***The City of Albany Public Facilities Financing Authority*** was established to facilitate financing, by the City, of the acquisition of real property and improvements for the benefit of the community. The Authority's board is comprised of the City Council, all accounting and administrative functions are performed by City staff, and the Authority is financially dependent upon the City. The financial activities of the Authority are included in the accompanying financial statements in the Public Facilities Financing Authority Debt Service Fund.
- ❖ ***The Albany Community Reinvestment Agency*** was formed to promote economic development and redevelopment within the City. The redevelopment project area was formed in 1997 along the Cleveland Avenue/Eastshore Highway. The Agency is a component unit of the City and its financial activities have been included within the financial statements of the City.
- ❖ ***The Albany Municipal Services Joint Powers Authority (JPA)*** was established by the City of Albany and the Albany Community Reinvestment Agency to employ management employees of the City that are not members of an organized bargaining unit. Members of the Albany City Council serve on the governing board of the JPA, and all expenses of the JPA are reimbursed by the City of Albany.

GENERAL GOVERNMENT FUNCTIONS

The City Council and staff management have established as a citywide objective, quick and efficient response to the needs of the citizens of Albany. Local government functions are performed by the nine departments listed below:

- City Administrator
- City Clerk
- City Treasurer
- City Attorney
- Finance & Administrative Services
- Police
- Fire & Emergency Medical Services (EMS)
- Recreation & Community Services
- Community Development & Environmental Resources

The functions of each department and major accomplishments, within the last year follow:

City Administrator

The City Administrator advises and makes recommendations to the City Council concerning conditions or situations that require Council direction or policy determination. It is the responsibility of the City Administrator to implement the policies of the Council. In conjunction with the Finance and Administrative Services Director, the City Administrator prepares the recommended operating and capital improvement program budgets for Council consideration and adoption.

The City Administrator serves as the Municipal Employee Relations Officer, the City's Risk Manager, and as the Executive Director of the Albany Public Facilities Financing Authority and the Albany Community Reinvestment Agency. Personnel administration, city economic development activities, franchise agreement administration, and public information programs are all under the direct supervision of the City Administrator who is assisted by three staff members.

Staff accomplishments during this last year include coordinating the temporary relocation of City Hall, Police, and Fire services Civic Center retrofit project; launching of the *Voices to Vision* visioning process for Albany and its waterfront; preparation of an economic development action plan; of an organizational and staffing analysis; drafting of a Climate Action Plan to reduce carbon emissions; initiation of a community engagement program; acquisition of property for expansion of the Senior Center; construction of a major drainage improvement project on Neilson Street; and continued sewer, paving, and creek restoration work.

City Clerk

The City Clerk is the custodian of the official records of the City. The City Clerk prepares the agenda packet for City Council meetings, records official minutes of Council proceedings, and prepares and distributes the official documents for actions taken by the City Council. In addition, the City Clerk maintains the legislative history, certifies copies of official documents, receives and opens bid documents, publishes legal notices, administers oaths, receives claims and lawsuits against the City, and serves as the City's Elections Officer. The City Clerk is also certified as a passport agent and accepts applications at Albany City Hall. In addition, the City Clerk serves as the Deputy City Treasurer and is a member of the Police and Fire Relief and Pension Fund Board of Trustees. The City Clerk performs the above duties as a department of one person, with back-up support from Administrative staff.

City Treasurer

The City Treasurer is an elected, part-time position responsible for the receipt and safe keeping of the City's financial assets. The Treasurer works closely with the Finance and Administrative Services Department, but the treasurer's position is independent from that department, and as such, provides enhanced internal control through segregation of duties, such as signing checks that are prepared by the Finance and Administrative Services Department. The Treasurer is responsible for investing the City's cash reserves and any other available funds, such as bond proceeds prior to their expenditure. The Treasurer is responsible for administration and compliance enforcement of the City's business license program. Business licensing generated revenue of \$522,989 in fiscal year 2008-09.

The City Treasurer also serves as a Trustee of the Police and Fire Relief or Pension Fund, oversees the investment of the Fund's assets, and is responsible for the administration of the Fund. The City Treasurer performs the above duties as a department of one person, with support from Finance staff.

City Attorney

The City Attorney is an elected official whose duty is to advise the City Council and staff on all matters of general and municipal law. The City Attorney provides legal counsel on municipal legal matters, including application of the California Environmental Quality Act, planning and development legislation, conduct of public meetings, employee-employer relations, contracts, real property transactions and other matters. The City Attorney also either oversees litigation matters that are being handled by special outside counsel or represents the City in litigation.

Finance & Administrative Services

The Finance & Administrative Services Department has three primary areas of responsibility: (1) general accounting and financial reporting, (2) budget preparation and financial planning, and (3) telephonic communications systems.

General accounting and financial reporting includes accounts payable, accounts receivable, payroll, business license, pet license, and general cashier functions. The department prepares monthly revenue and expenditure reports for internal management purposes, quarterly general fund revenue and expenditure statements for the City Council. Annual reports include the City's Comprehensive Annual Financial Report (CAFR), Police and Fire Relief or Pension Fund, and the Albany Community Reinvestment Agency. The department prepares numerous reports required by the state, including the Cities Financial Transactions Report.

Budget preparation and financial planning responsibilities include preparation of the biannual operating budget, the five-year capital improvement program (CIP), analyses of labor contract proposals, budget oversight and control, debt issuance, and the financial component of grant administration. The department is also called upon to perform special tasks such as reviewing the financial reports of organizations with close ties to the City, and budget review and analysis for such organizations.

The department administers the telephonic communications facilities of the City, including cellular phones and voicemail. The Finance & Administrative Services Directors serves as City liaison to the Albany Library Board.

Major activities of the department in the past year were: preparation of the 2008-09 and 2009-10 operating budgets, updating the Capital Improvement Plan for 2008-09 through 2012-13, and updating and publication of the Master Fee Schedule.

The staff of the Finance and Administrative Services Department consists of the Director, Accountant, and three Accounting Technicians.

Police

The Albany Police Department is responsible for the preservation of public peace, enforcement of laws, protection of life and property, and providing law enforcement related services to the community. These responsibilities are accomplished through proactive police patrol, traffic enforcement, criminal investigation, and support services activities. The Albany Police Department provides a high level of service to the community by responding quickly to all calls for service.

The Police Department maintains a 24-hour Public Safety Answering Point (PSAP) for 911 emergency police, fire and medical dispatch, as well as routine telecommunications services for these three professional disciplines. The PSAP utilizes a modern Computer Aided Dispatch and Records Management System which is integrated with mobile computers in each police patrol vehicle. This secure, wireless communications system allows field supervisors and officers rapid access to information from local, regional, state and national criminal justice databases, and allows officers to wirelessly transmit crime reports to a central data server. The Albany Police Department focuses on crime prevention through active community engagement efforts, including the Neighborhood Watch program and Albany Police Activities League youth services programs.

The Police Department is staffed by the Chief of Police, two Lieutenants, five Sergeants, an Administrative Supervisor, sixteen patrol officers, two Detectives, six Public Safety Dispatchers, and various support services personnel for the equivalent of thirty-eight full-time employees. The department also administers the School Crossing Guard program (currently consisting of six permanent part-time employees). A corps of volunteer reserve police officers supplements the department staff.

Fire and Emergency Medical Services

The Albany Fire and Emergency Medical Services Department provides the community with a wide range of services, including fire suppression and rescue services, paramedic emergency medical response and ambulance transport, fire prevention services, and community education and disaster preparedness. The Fire Department is also responsible for the City's Emergency Operations Center (EOC). The EOC facility will serve as the central command and communications center in the event of a major disaster.

The Fire Department conducts fire and life safety inspections of businesses and commercial properties located in the city. Additionally, the Fire Prevention Office reviews plans and inspects all residential properties that require smoke detectors and fire extinguishing systems. The Department also has responsibilities in the areas of hazardous materials management and emergency response, and storm water inspections. These responsibilities require extensive interaction with merchants, vendors and the public, with a focus on customer service.

The department is noted for its many successful community service programs and activities such as the sale of low cost bicycle helmets, CPR courses, smoke alarm installation for residents, annual open house and pancake breakfast, and collection of Christmas toys for underprivileged children.

The department is staffed by a Fire Chief, Battalion Chief/Fire Marshall, 18 line personnel of which 15 are paramedics.

Recreation and Community Services Department

The Recreation and Community Services Department creates community through people, parks, and programs. The department was instrumental in creating and coordinating the 2008 Centennial Celebration, which took place in September of 2008 and brought together over 2000 Albany residents in celebration of the City's 100th birthday. In addition to City-wide special events, the Recreation and Community Services Department provides services in the following areas:

- Civic arts
- Facility administration
- Child care and summer camps
- Recreation classes, sports classes and special events
- Teen activities
- Senior services
- Paratransit services
- Volunteer Services
- Coordination of the local access station KALB Channel 33

The Department manages four city-owned facilities:

- Albany Community Center
- Senior Center
- Memorial Park Child Care Center
- Teen Center

Management and rental of the City's tennis courts, athletic fields and picnic areas are also the responsibility of this department.

Administrative responsibilities include staff support to the Park and Recreation Commission, the Arts Committee, Citizen's Community Media Access Committee, Ad Hoc Dog Committee, Tree Task Force, and the Youth Task Force. Staff is also actively involved with the Friends of Albany Seniors, the Albany Police Activities League Board of Directors and the Prevention Council. The Department maintains a collaborative relationship with community groups and organizations such as the YMCA, Albany Unified School District, University Village, service groups, the Albany Chamber of Commerce and other similar entities.

Youth and Childcare Services

The Recreation and Community Services Department offers a range of programs for youth. There are pre-school classes and activities, school-age programs and a vibrant teen program. The Albany Teen Center offers recreational and social activities geared toward middle-school age youth. In the past year the Teen Center has instituted a new program called the Epicenter. Local high school bands perform while students learn to book bands and promote the event as well as learn how to use the audio-visual equipment. Youth activities include sports, arts and crafts, enrichment classes, music video production activities, community service projects, special events and trips, as well as homework assistance.

The department's childcare program provides school year and summer camps at the Child Care Center in Memorial Park for children in first through fifth grade. Other programs include a wide variety of weekly arts and crafts activities, daily homework assistance, and special excursions during mid-winter and spring breaks to meet the changing needs of community youth.

Classes, Facility Rentals and Special Events

The Recreation and Community Services Department provides over 200 special interest classes each quarter that are publicized in the Recreation and Community Services Activity Guide. The community may also rent facilities for meetings, parties and special events. The department also sponsors community building special events such as Block Movie nights, Music in the Park concerts, the Spring Arts and Music, and the July 4th Celebration.

Senior Services

The City of Albany is committed to providing quality services and a variety of activities for its senior citizens. Some services like Paratransit are also provided to disabled adults 18 years of age and over. Activities and services include: classes, recreational group trips and walking trips, congregate meals and meals on wheels, transportation, special events, information and referral services, podiatry, notary, chair massage and health insurance counseling.

Volunteer Services

The Recreation and Community Services Department is responsible for maintaining the City's Volunteer Program. This program, designed to both encourage volunteer participation and to create a cohesive system for tracking and managing volunteers. Current activities of the program include creating and producing volunteer application materials, establishing a database for volunteer participation and advertising and expanding the program.

The Recreation and Community Services Department is staffed by a Director, 11.75 full-time staff members and 15 to 30 part-time and volunteer staff members, depending on the number of programs and activities in progress at any one time.

KALB Channel 33

The City of Albany cablecasts community access television programming on KALB, Cable Channel 33, and streams programming online. KALB is channel 33 on the local Comcast lineup.

KALB supports community access television as a way for Albany citizens to share in the political and social life of their community, and as a vehicle for self-expression and communication. KALB is committed to airing Albany City Council meetings, as well as other important public meetings as well as to help community members make their own television, offering technical support and airtime. KALB's mission is to provide a public forum for expression reflecting the diverse backgrounds, views, and interests of Albany citizens.

Community Development & Environmental Resources

The Community Development & Environmental Resources Department provides a broad array of services to the citizens of Albany. The department's primary responsibility is to maintain and improve the physical environment of the City. As such, the department coordinates the current development of the City with the future needs and expectations of the community.

The department is composed of three divisions, Planning and Building, Public Works, and Environmental Resources. The Planning and Building Division is responsible for reviewing

and processing all plans for private development in the City, to ensure compliance with applicable zoning and building codes. Approximately 100 zoning applications are processed each year, 600 building permits issued and 30-40 building inspections are conducted each week.

The Public Works Division is responsible for the design, construction, and maintenance of all City-owned public facilities, including streets, sewers, storm drains, parks, public building and grounds. Typical Public Works activities include reviewing the design of planned park improvements, managing the renovation of City buildings, maintaining street signs and markings, engineering plan checking of proposed new private construction, cleaning and repairing sewer lines, street sweeping, collecting trash from public receptacles, mowing parks, maintaining play fields and irrigation, and many others.

Activities of the Environmental Resources Division include management of the City's urban forestry program, Waterfront area, Clean Water Program, Waste Management Program, administration of various environmental grants such as oil recycling, building material recycling, and procurement of recycled products. The City Engineer is a contract employee of the City who reports to the Director of Community Development. The City Engineer provides technical oversight for City construction projects and computes the various special assessments collected by the County Tax Collector.

Department staff provides technical and administrative support for the Planning and Zoning Commission, Traffic and Safety Commission, Waterfront Committee, and the Community Reinvestment Agency. Staff members also represent the City and provide technical support on a number of interagency and multi-agency ventures, including the Alameda County Department of Housing and Community Development, the Alameda County Congestion Management Agency, the Alameda County Clean Water Program, and the Alameda County Waste Management Authority.

The department's staff consists of a Director, Planning Manager, Public Works Manager, and 17 planners, engineers, inspectors, maintenance workers and administrative staff.

ECONOMIC CONDITIONS AND OUTLOOK

Economic conditions in the City for the fiscal year ended June 30, 2009 were challenging and the outlook for the fiscal year ending June 30, 2010 is uncertain. Total General Fund revenues in 2009 increased \$94,000 (.07%) over the prior fiscal year. This was basically a no growth year, and while some revenue may increase modestly, the increases will likely be offset by decreases in other revenues, creating a situation where breaking even overall will be considered a win.

The most volatile revenue for the City is the property transfer tax, which declined last year but was greater than the budget. It now appears that this revenue will recover in 2010, along with a strengthening real estate market.

Bucking the local, state and national trend, sales tax revenue for Albany increased in 2009, but early indications are that this revenue will decline in 2010.

Revenue from Golden Gate Fields Race Track held up in 2009, and it can be expected to maintain current levels. However, the parent company for the race track is in bankruptcy and is currently delinquent in payments.

Employee salaries and benefits composed 80% of the General Fund expenditures in 2009. Thus, balancing the City's budget is necessarily centered on controlling salaries and benefits. Holding increases in personnel cost to what is likely to be a modest to no increase, is the challenge the City will face in 2010. The City will continue to wait for the other shoe drop in regards to PERS retirement, but it now appears that contribution rate increases for 2010 will be manageable for the City.

A summary assessment of the economic forecast for the City of Albany is that the City can expect its principal sources of revenues to grow only moderately in the next year, or possibly decline, while expenses increase as a result of contractual labor agreements and general inflation. The City ended 2009 with an operating surplus, which under the more optimistic projection will allow the City to maintain current service level. However, economic conditions could very easily dictate cutbacks in personnel costs.

MAJOR INITIATIVES

Economic Development/Redevelopment

City officials continue to view the strengthening of the commercial base of the City as a necessary activity, in order for the growth of operating revenues to match the expected increases in expenses over the next several years. The City's economic development strategy is to enhance existing businesses and to attract and cultivate new businesses in the commercial areas of Solano Avenue, San Pablo Avenue, and the Cleveland Avenue/Eastshore Highway area. The City Council has added to the economic agenda an objective of promoting ecological responsibility and benefit in growth that may occur in the City.

Solano Avenue, the "*Main Street*" of "*small town Albany*" continues to be a strong regional attraction, visited by thousands of shoppers, diners and strollers each year. The City has continued its support of Solano Avenue merchants with cash and in-kind contributions to the annual "Solano Stroll." The City Council has also supported the Solano Ave Merchants Association and the Albany Chamber of Commerce.

The City Council continues to support retail development on San Pablo Avenue, along with improvements as outlined in the Streetscape Master Plan. The Master Plan is designed to retain and attract retail business, improve aesthetics, and make the corridor more pedestrian friendly.

The Cleveland Avenue/Eastshore Highway corridor is included in the City's Redevelopment Area. In order to increase the attractiveness of this area for retail development, a freeway connector between the Eastshore Highway and Interstate 80/580 was completed in August 2002. This strategy has proven successful, as retail outlets, Target, PetSmart, and Toyota of Berkeley have opened new locations on Eastshore Highway. The sales tax revenues generated by Target have grown steadily and continue to exceed projections. Toyota of Berkeley has also expanded its operations from services to used car sales.

Open Space, Recreational Playfields and Creek Restoration

In November 1996, the citizens of Albany approved Measure R to provide an annual parcel assessment for the acquisition, development and maintenance of Open Space, Recreational Playfields, and Creek Restoration. The proceeds are divided fifty percent (50%) for open space on Albany Hill and twenty five percent (25%) each for playfields and creek restoration.

In February 1999, the City issued a \$6.2 million limited obligation bond and pledged the revenues of the Measure R annual assessment to pay the bondholders. Utilizing the revenue from Measure R and the bond proceeds, the City purchased five acres of open space on Albany Hill.

The City is working with the City of Berkeley and the University of California on a project to restore Codornices Creek, and has successfully competed for grant monies to assist in this restoration effort. Creek restoration work along Cerrito Creek near Albany Hill is also being pursued. The latter project is a follow-up to the joint Albany-Berkeley sewer project in the Cerrito Creek area.

During fiscal year 2008-09, the City of Albany worked with four other cities and agencies to develop two lighted playing fields with artificial turf, located on the waterfront at the end of Gilman Street adjacent to the Eastshore State Park.

The City acquisition of the Veterans' Building in Memorial Park and the development of a park on Pierce Street on property adjacent to Interstates 80 and 580, (currently owned by CalTrans,) remain as objectives of the City. However, there are no pending financial proposals to finance these projects.

Capital Projects

The following is a brief description of the City's most significant capital projects or programs.

Renovation of Central Facilities

In November 2006, Albany voters approved a bond measure of \$5 million to augment an earlier bond measure in order to improve Albany's fire safety and emergency response capability in the following ways: 1) by renovating and expanding the Fire Station and Police Station to better accommodate emergency equipment and personnel; and 2) to better serve the community during and after an emergency by constructing an Emergency Operations Center at the Fire/Police complex. The 2006 bond also added sustainable building features to the Fire/Police/Civic Center complex. Construction began in May 2008, and is anticipated to be completed in early 2010.

Sewer Operations and Compliance Program

Albany is continuing its multi-phase sewer rehabilitation program. The purpose of the program is to comply with the Clean Water Act and federal and state mandates to reduce groundwater inflow and infiltration as well as to address and correct substandard sewer lines. To finance the sewer rehabilitation program, the existing Sewer Revenue Bonds were issued in September 2004. This five year program commenced in fiscal year 2006-07. Completed projects include the sewer line on San Pablo Avenue from Dartmouth to Brighton Streets; the easement sewers between Pomona and Key Route from Washington to Marin; and the easement line between Adams and Madison Avenue. Projects completed in fiscal year 2008-09 are easement sewers on the east side of Albany Hill, rehabilitation of the sewers on Madison from Solano to Washington, on Polk from 200 feet north of Buchanan to Solano, and on Solano Avenue 200 feet west of Madison Street. The sewer rehabilitation program will result in the replacement or rehabilitation of most of the City's sanitary sewer system.

Storm Drain

In 2006, Albany voters approved Measure F, the “City of Albany Street Paving and Storm Drain Facility Improvement Parcel Tax.” This measure will fund future street paving and storm drain improvement projects. Revenue from this tax was used to finance the “Neilson Storm Drain Project,” a \$2.5 million reconstruction and rehabilitation effort from Neilson Street to Santa Fe Avenue to Codornices Creek. The project was completed in early 2009. In addition, to the storm drain construction, parallel sanitary sewer improvements were implemented at a cost of \$408,000, funded from sewer bond funds.

Traffic Management Plan

In May 2000, the City Council approved a city-wide Traffic Management Plan that recommended a variety of improvements designed to enhance pedestrian, bicycle safety, and traffic safety. Implementation is a multi-year process and has included a number of successful grant submittals, as well as design and implementation of traffic calming measures, including the reconfiguration of Marin Avenue. Current funding is from Alameda County’s Measure B transportation funds and the City’s Measure F bond funds.

Park Improvements

Phase II of the Memorial Park Improvement Project and improvements to Terrace and Ocean View Parks were completed in early 2008, including a variety of upgrades and improvements to three city parks. The Ocean View Sports Field Improvement Project was completed in 2009. Project improvements included addition of a batting cage, a bullpen, foul ball netting to the backstop, an electronic scoreboard, and a snack shop.

PENSION

The City participates in the California Public Employees Retirement System (PERS) and maintains a City pension plan for police officers and firefighters employed by the City before July 1, 1971.

All qualified permanent and probationary employees are eligible to participate in PERS. Benefits vest after five years of service and are payable monthly for life upon retirement. Currently PERS requires City miscellaneous employees to contribute 8% and safety employees 9.81% of their annual salary, which is paid by the City. Benefit provisions and all other requirements are established by state statute and city ordinance.

Stock market declines in 2008 and 2009 have significantly reduced the value of assets held in the Police and Fire Pension Fund, and as a result, the fund has an unfunded liability of \$1,886,000. The City will resume contributions to the fund in fiscal year 2009-10, from the pension override property tax, in an amount sufficient to amortize the unfunded liability over 15 years.

CalPERS has incurred significant losses in its investment portfolio as a result of the stock market decline in 2008 and 2009, and they have advised member agencies to plan for increases in required contributions of payroll beginning in fiscal year 2010-11.

DEBT ADMINISTRATION

The City currently has general obligation bonded indebtedness of \$18.6 million, and other long-term obligations of \$16.4 million that are comprised of the: 1997 Refunding Certificates of Participation, the 2004 Sewer Revenue Bonds, 2009 Street & Storm Drain Parcel Tax Note, Lease Purchase agreement, and the Special Assessment District 1999 Limited Obligation Bonds.

In December 1997 the City refunded, through Certificates of Participation, the 1989 and 1992 Lease Revenue Bonds. The 1989 Lease Revenue bonds financed the purchase of the Library/Community Center site, as well as, improvements to a new maintenance center. The 1992 Lease Revenue bonds financed the construction of the Library/Community Center complex.

The 2004 Sewer Revenue Bonds of \$8.674 million were issued to finance a comprehensive sewer rehabilitation program. Semi-annual interest and principal payments are secured by and payable from the Sewer Enterprise Fund's operating revenues.

In June 2006, voters passed a ballot measure (Measure F) authorizing a street paving and storm drain parcel tax to finance citywide street paving and storm drain facility repairs and improvements. In April 2009, the City entered into a parcel tax note agreement with Capital One Public Financing, LLC in the amount of \$3,465,156. Interest payments are due August 1st and February 1st and beginning in 2010 principal payments are due August 1st and February 1st of each year, with the final payment due August 2, 2021.

In 1999 the City issued Limited Obligation Bonds (Measure R) in the amount of \$6,230,000, the outstanding balance of these bonds at June 30, 2009 is \$4,045,000.

Long-term debt is discussed in greater detail in the Notes to Financial Statements.

RISK MANAGEMENT

The City of Albany is a member of the Bay Cities Joint Powers Insurance Authority (BCJPIA). This seventeen-member entity provides general liability insurance, property insurance, earthquake and automobile insurance and legal assistance. The City also carries employment practices insurance through BCJPIA.

Albany is self-insured for workers' compensation costs up to \$150,000 per occurrence, and the City maintains a funded reserve workers' compensation claims. The Local Agency Workers' Excess Compensation (LAWXC) Joint Powers Authority covers claims in excess of \$150,000. The City is also self-insured for general liability claims up to \$50,000.

CASH MANAGEMENT

The City Treasurer manages the City of Albany's investment portfolio. Cash that is not required for current operations is pooled and invested in accordance with City Council policy, which adheres to the "prudent man rule" (California Civil Code §2261, et seq.). This policy affords the City considerable discretion in pursuing investment opportunities provided that the investment is prudent and safe with respect to the protection of principal and is allowable under the current laws of the State of California (Government Code §53600, et seq.).

The City maintains a conservative investment philosophy that emphasizes liquidity and the protection of principal; hence, the City has not invested any funds in high-risk securities, including derivatives and mortgage-backed securities. In fiscal year 2008-09, the City's available cash (not including debt service accounts) was invested in the Local Agency Investment Fund (LAIF), a governmental agency pooled money fund managed by the California State Treasurer, certificates of deposit, and Cal Trust, a Joint Powers Agency Authority composed of local public agencies, for the purpose of pooling assets for investment purposes.

ACKNOWLEDGEMENTS

The preparation of the Comprehensive Annual Financial Report was accomplished through the coordinated efforts of Department of Finance and Administrative Services staff members Gina Javier, Maria Ligaya-Cantiller, Minnie Swygert, and Stephanie Wellemeyer. Guidance in preparation of the report was provided by the City's independent auditors, Caporicci & Larson, Certified Public Accountants, under the direction of Ahmed Badawi - Partner, and Cathy Zhai - field supervisor. We also wish to express our appreciation to the Albany City Council for their support in our pursuit of excellence in financial reporting.

Respectfully submitted,



Beth A. Pollard
City Administrator



Charles A. Adams
Finance and Administrative
Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Albany
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

CITY OF ALBANY
PRINCIPAL OFFICERS
JUNE 30, 2009

CITY COUNCIL

Mayor	Marge Atkinson
Vice Mayor	Joanne Wile
Councilmember	Farid Javandel
Councilmember	Robert Lieber
Councilmember	Peggy Thomsen

ELECTED OFFICIALS

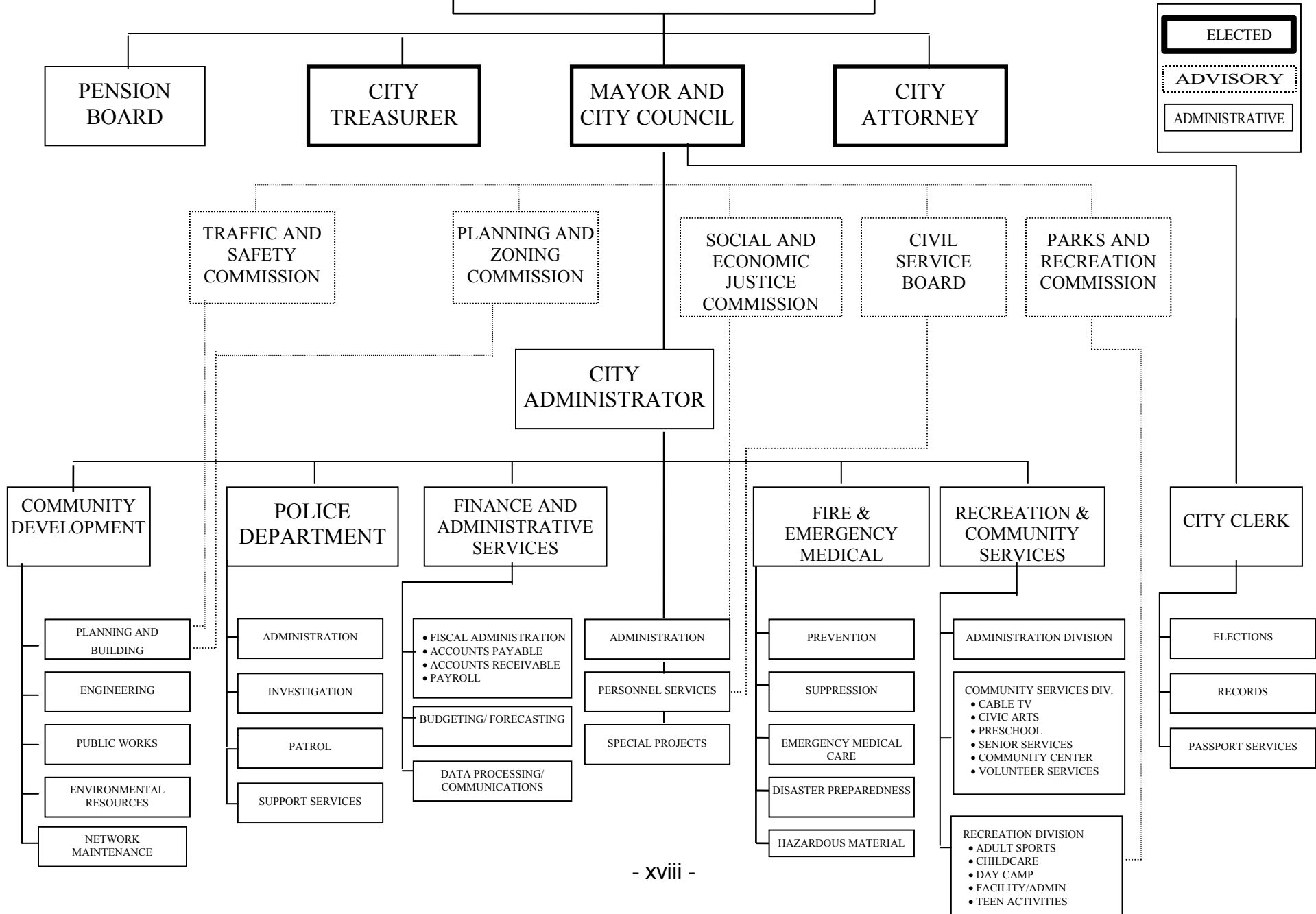
Treasurer	Kim Denton
City Attorney	Robert Zweben

APPOINTED DEPARTMENT HEADS

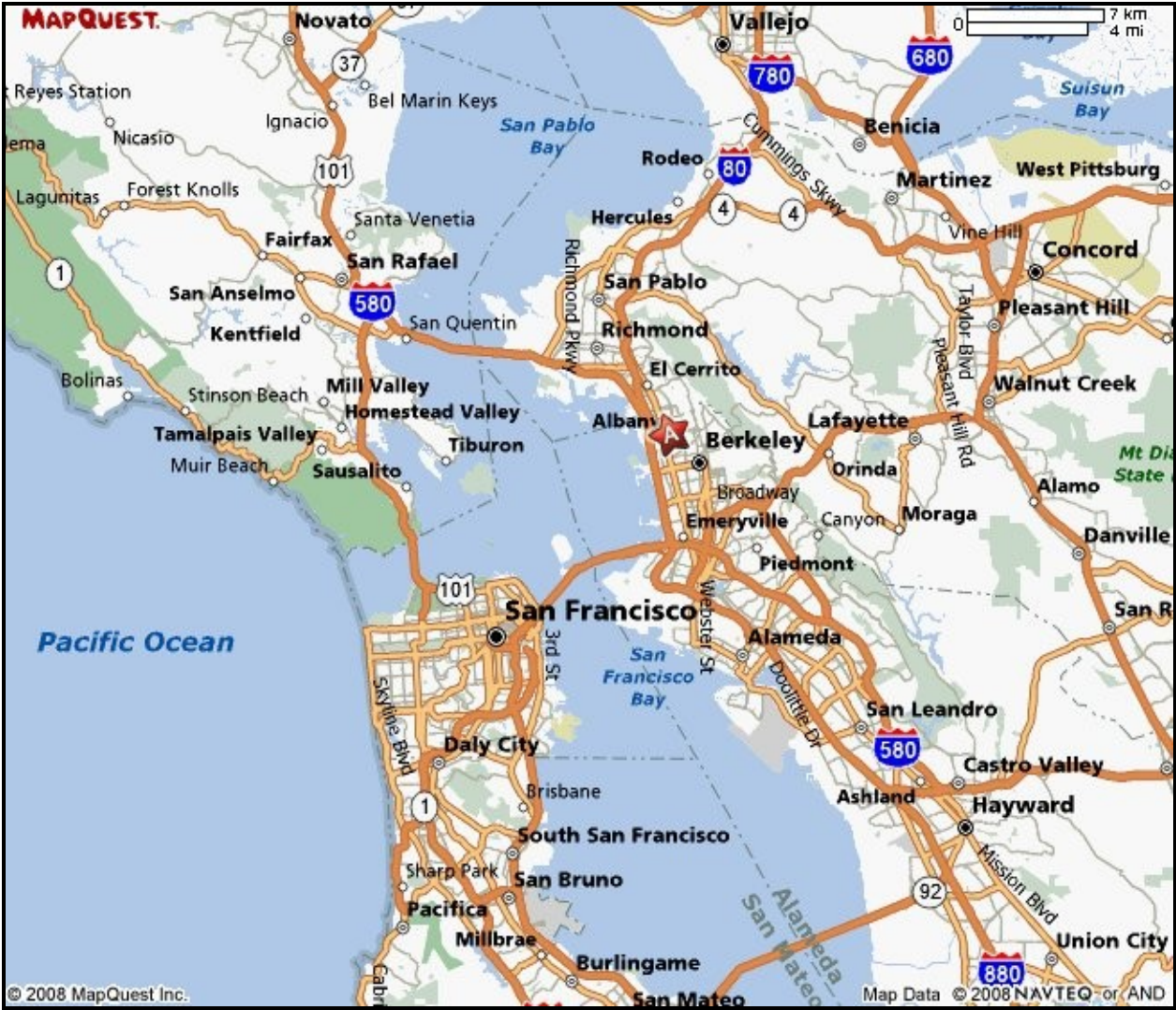
City Administrator	Beth Pollard
Finance and Administrative Services Director	Charles Adams
City Clerk	Jacqueline Bucholz
Community Development Director	Ann Chaney
Recreation & Community Services Director	Penelope Leach
Fire Chief	Marc McGinn
Chief of Police	Mike McQuiston

ORGANIZATION CHART - CITY OF ALBANY

CITIZENS OF ALBANY



ALBANY, CALIFORNIA 94706



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Albany
Albany, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Albany, California (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2009, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

Subsequent to the basic financial statements date of June 30, 2009 and the year then ended, the State of California (State) has borrowed, deferred paying certain revenues and proposed taking other funds from local governments including City of Albany. These actions by the State include:

- 8% of Property Tax borrowed - to be repaid in 3 years
- Highway User Taxes - to be paid after January 1, 2010
- 5% of Reinvestment Agency ERAF - prepared to be taken for fiscal year 2010

These above amounts are very significant to the local governments and may affect their ongoing operations. Certain lawsuits are in process to stop such State actions. The State legislation is also in process to aid local governments to be able to sell from a Joint Power Authority the 8% of property taxes borrowed by the State. For more detailed information, see Note 19 attached in the Notes to Basic Financial Statements.

To the Honorable Mayor and Members of City Council
of the City of Albany
Albany, California
Page Two

As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, No. 55, the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments and No. 56, Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards.

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2009 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Capricci & Carlson

Oakland, California
December 28, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

This is management's discussion and analysis of the City of Albany's financial activities and performance for the fiscal year ended June 30, 2009. Please read this discussion and analysis in conjunction with the transmittal letter, which can be found in the introductory section at the front of this report, and with the City's financial statements, which follow.

FINANCIAL HIGHLIGHTS

Government-wide Financial Statements

- The Government-wide Statement of Net Assets is the first statement of the Basic Financial Statements (page B1) and is summarized on page A6 of this Management's Discussion and Analysis. The statement shows the City's assets of \$95,190,000, liabilities of \$39,100,000, and net assets of \$56,100,000.
- Net assets, as measured in the government-wide financial statements, increased \$3,170,000. Capital assets increased \$12,654,000 and net long-term debt increased \$2,700,000. The major capital asset additions were Police Department, Fire Department, City Hall buildings, and park improvements. Construction of structural improvements to the Police, Fire and City Hall buildings began in May 2008 and will be completed in the spring of 2010. Projects at Ocean View Park were completed at a cost of \$43,000 during the fiscal year. Property adjacent to the Senior Center on Masonic Avenue was purchased for \$431,000. A fire engine was purchased at a cost of \$625,000. The increase in long-term debt resulted from the issuance of a parcel tax note, to finance storm drain and sanitary sewer improvements in the area of Neilson and Curtis streets.
- The Government-wide statement of activities and changes in net assets is summarized on page A9. This statement shows an increase in net assets of \$3,164,000 for the fiscal year ended June 30, 2009, as compared to an increase of \$5,016,000 for the fiscal year ended June 30, 2008. Revenues for the year increased \$1,932,000 and expenses increased by \$3,833,000 over the prior year. The majority of the increases in revenue is attributable to capital grants totaling \$3.248 million. Capital grants include \$1,200,000 from the \$1,700,000 FEMA grant for retrofit of the Civic Center for earthquake safety, and \$544,000 from FEMA for purchase of an aerial fire truck. Sales tax revenue increased 2% on increased department store and automobile sales. Total expenses increased \$3,832,000 over the prior year. Expenses increased for all departments except general government. While there were no net staffing increases over the prior year, there were fewer vacant positions during the year, and some wage rate increases. Also contributing to the increase expense was the cost of sending firefighters on strike teams to fight wild land fires, and the cost of consultants performing special studies requested by the City Council.

Governmental Funds Financial Statements

- A more targeted view of the financial status of the City is provided in the Governmental Funds Financial Statements. These statements appear on pages B3 – B4 of this report, and are discussed in detail in the Fund Financial Statements section of this Management's Discussion and Analysis.
- The core operations of the City are accounted for in the General Fund, and the General Fund fund balance is a key measure of the financial health of the City. As of June 30, 2009, the General Fund balance was \$5,025,000, a net increase of \$246,000 over the balance at June 30, 2008. As of June 30, 2009, the unreserved-undesignated fund balance for the General Fund was \$3,560,000.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Transfers of \$3,286,000 were made to the General Fund from the Emergency Medical Services, Pension Property Tax Override, Sewer Enterprise, and other Special Revenue Funds. These transfers to the General Fund are to reimburse the General Fund for expenditures made in support of activities funded outside the General Fund. Transfers of \$977,000 from the General Fund were made to: Safety Equipment Replacement Reserves, Self-insurance Reserves, Accrued Liabilities for Compensated Absences, and Capital Expenditures Reserves. A complete schedule of inter-fund transfers is contained in Note 11 in the notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Basic Financial Statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Basic Financial Statements. This Financial Section of this report also contains supplementary information for pension funding, combining financial statements, and budgetary comparisons for individual funds.

Government-wide Financial Statements

The government-wide financial statements consist of a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide information about the activities of the City as a whole and present a long-term view of the City's finances.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between assets and liabilities reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Albany is strengthening or weakening.

The Statement of Activities and Changes in Net Assets presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash receipts or disbursements (full accrual basis accounting). Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts or disbursements in future fiscal periods, such as property taxes assessed for the year ended June 30, but received between July 1 and August 31, or vacation leave earned in the current year but not utilized until a subsequent year.

In the government-wide financial statements, the activities of the City are classified as governmental or business-type. Total activities are presented for both the current and prior years.

Governmental activities are activities that are principally supported by taxes and intergovernmental revenues. For the City of Albany, governmental activities include police services, fire and emergency medical services, community development and environmental resources, recreation and community services, general government administration, and the activities of four component units.

Component units are organizations whose governing body is: (1) either the governing body of the primary reporting government or (2) a body who reports to the governing body of the primary reporting government, or (3) organizations for which the nature and significance of their relationship with the primary reporting government is such that exclusion would cause the reporting government's financial statements to be misleading or incomplete.

The City of Albany is the primary reporting government in this report, and incorporated into these financial statements are the financial statements of the City of Albany Police and Fire Relief or

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pension Fund (Trust), the City of Albany Public Facilities Financing Authority, the Albany Community Reinvestment Agency, and the Albany Municipal Services Joint Powers Authority.

Business-type activities are activities that are primarily funded through user charges. The only business-type activity to be reported by the City of Albany is sewer services.

Governmental Funds Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Albany, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds used by the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental funds financial statements focus on short-term inflows and outflows of spendable resources and the balances of these resources that are available for spending. This information is useful in evaluating a government's short-term financing requirements.

To assist the user of these financial statements in understanding the differences and the relationship between the government-wide financial statements and the governmental funds financial statements, reconciliations between the two sets of statements have been included in this report.

The reconciliation of the Government-wide Statement of Net Assets to the Governmental Funds Balance Sheet highlights the inclusion of capital assets and long-term liabilities in the government-wide financial statements.

The reconciliation of the Government-wide Statement of Activities and Changes in Net Assets to the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, highlights the exclusion of: capital expenditures, depreciation of capital assets, amortization of intangible assets, and cash flows related to long-term debt from the governmental funds statements.

The City of Albany maintains numerous individual governmental funds that, for financial reporting, are grouped according to their type (general fund, special revenue, capital projects, and debt service). Funds whose expenditures exceed 10% of the total expenditures for all governmental funds, or that meet other specific criteria for determining their importance to the financial statement user, are designated Major Funds, and are reported separately in the governmental funds statements. All other funds are grouped together for reporting purposes.

Major funds for the City of Albany are:

- General Fund
- Civic Center Improvement Bonds
- General Obligation Bond II

Individual fund data for each non-major governmental fund is provided in combining statements included in the *Combining Financial Statements and Other Supplementary Information* section of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds

Proprietary funds have as their focus the determination of operating income or cost recovery. There are two types of proprietary funds: enterprise funds and internal service funds.

- Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.
- Internal service funds are used to accumulate and allocate costs internally among the City's various funds and departments, and to record assets and liabilities related to self-insurance programs and compensated absences.

The City accounts for the construction and maintenance of City sewers in the Sewer Enterprise Fund. Revenues are obtained through special district assessments collected with property taxes. The assessment rate for fiscal year 2008-09 was \$286.56 per residential unit. Total assessment revenue for the year was \$2,060,000; this was an increase of \$73,000 over the prior year. Revenues less expenditures and transfers, including interest on bonds of \$282,000, resulted in an increase in net assets of \$515,000. Funds of \$403,000 were invested in sewer system improvements.

The City uses an internal service fund to account for anticipated replacement costs of public works and park equipment. Internal service funds are also used to accumulate reserves for self-insurance and compensated absences. Total reserves in the internal service funds at June 30, 2009 were \$3,215,000, an increase of \$76,000 over the June 30, 2008 balance. Because this reserves predominantly benefits governmental activities, they have been included within the governmental activities in the government-wide financial statements.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City utilizes two types of fiduciary funds:

- Trust funds are used to record the assets and liabilities held for the benefit of others, under a trust agreement that specifies the degree of management performed by the trustee organization. The City accounts for the activities of the City of Albany Police and Fire Relief or Pension Fund in the Police and Fire Relief or Pension Trust Fund. There are no current employee members of this plan, but the City will continue to hold its assets in trust and administer the plan as long as there are members receiving benefits.
- Agency funds are used to record assets of separate organizations for which the City serves as a custodian for the organization. All assets in agency funds are offset by a liability to the organization on whose behalf they are held. The City currently maintains four agency funds that are reported in the Statement of Fiduciary Net Assets.

Notes to the Financial Statements

Notes to the Financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Supplementary Information

This section consists of schedules of funding progress for the City's PERS (California Public Employee Retirement System) pension plans and the Albany Police and Fire Relief Pension Plan.

Combining Financial Statements and Other Supplementary Information

This section contains combining financial statements and budgetary comparison statements for the summary fund groups reported in the basic financial statements.

Statistical Section

Graphic presentations of financial information and non-financial information, and statistical tables are included in this section, as an aid to understanding and evaluating the overall operation and status of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets

Net assets are a measure of a government's financial position and, over time, a trend of increasing or decreasing net assets is an indicator of the financial health of the organization. The City of Albany's net assets exceeded liabilities by \$56,045,000 at June 30, 2009. A schedule of net assets is presented in the following table.

Net Assets							
June 30, 2009 and 2008							
(thousands)							
	Governmental		Business-type		Total		Total
	Activities		Activities		Primary		Percentage
	Government		Government		Change		
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	
Current and other assets	\$ 35,517	\$ 40,358	\$ 5,813	\$ 7,172	\$ 41,330	\$ 47,530	-13%
Capital assets	39,746	28,605	14,113	12,601	53,860	41,206	31%
Total assets	<u>75,263</u>	<u>68,963</u>	<u>19,926</u>	<u>19,773</u>	<u>95,190</u>	<u>88,736</u>	7%
Current liabilities	4,685	4,135	482	513	5,167	4,648	11%
Noncurrent liabilities	27,035	23,934	6,896	7,227	33,931	31,161	9%
Total liabilities	<u>31,720</u>	<u>28,069</u>	<u>7,378</u>	<u>7,740</u>	<u>39,098</u>	<u>35,809</u>	9%
Net assets:							
Invested in capital assets, net of related debt	15,044	21,476	5,735	7,263	20,779	28,739	-28%
Restricted	23,246	14,448	1,132	2,164	24,378	16,612	47%
Unrestricted	5,253	4,970	5,681	2,606	10,934	7,576	44%
Total net assets	<u>\$ 43,543</u>	<u>\$ 40,894</u>	<u>\$ 12,548</u>	<u>\$ 12,033</u>	<u>\$ 56,091</u>	<u>\$ 52,927</u>	6%

Net assets invested in capital assets (e.g., land, buildings, equipment and infrastructure) of \$20,779,000 represent the cost of these assets less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future expenditures. Resources needed to repay the outstanding debt must be provided from other sources other than the related assets, because the capital assets themselves cannot be used to repay these debts.

Restricted net assets of \$24,378,000 represent resources that are subject to restrictions on how they may be used. The largest component of restricted net assets is \$19,163,000 that is restricted for future capital projects, special revenue funds have combined restricted net assets of \$3,577,000, and the balance of restricted net assets of \$1,638,000 is contained in bond debt service funds.

Unrestricted net assets of \$10,934,000 may be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. However, all net assets are not liquid, meaning that they are not cash or securities that could be converted to cash within a year. (An analysis of liquid fund balance is provided in the funds financial statements at B3 and B6).

MANAGEMENT'S DISCUSSION AND ANALYSIS

Analysis of Changes in Net Assets

The City's net assets increased \$3,118,000 during the current fiscal year. This growth in the City's net assets is principally from the governmental activities. Information about changes in net assets is presented in the summary table below:

**Activities and Changes in Net Assets
For the Fiscal Years Ended June 30, 2009 and 2008
(thousands)**

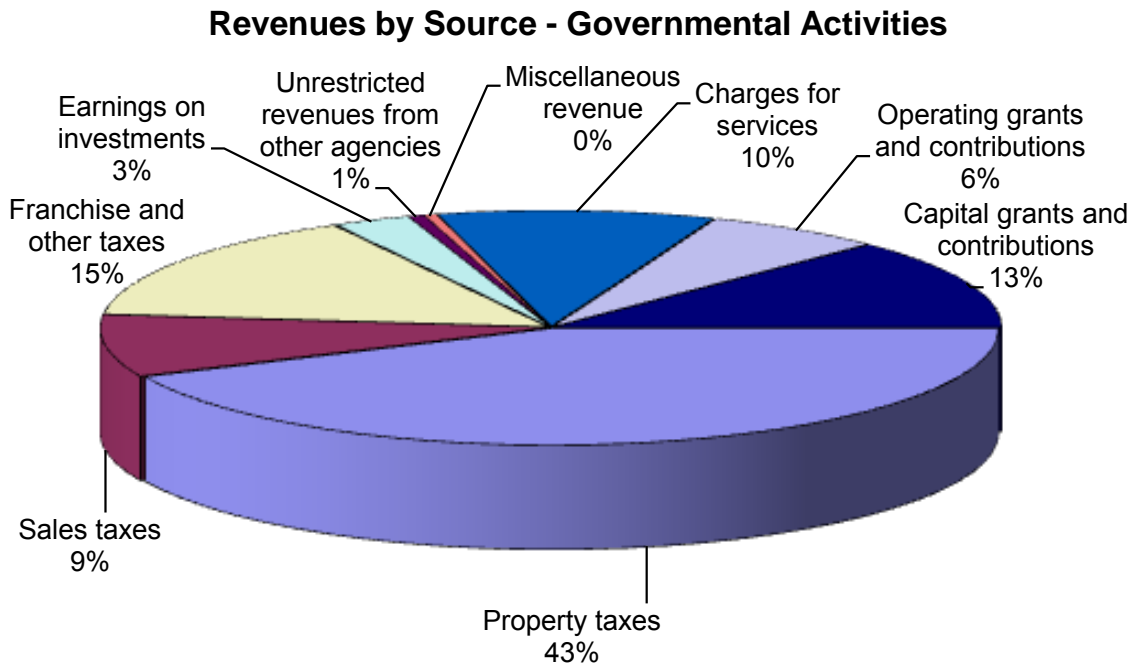
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2009	2008	2009	2008	2009	2008	
Revenues:							
Program revenues:							
Charges for services	\$ 2,598	\$ 2,505	\$ 2,060	\$ 1,987	\$ 4,658	\$ 4,492	4%
Operating grants and contributions	1,675	1,085	-	-	1,675	1,085	54%
Capital grants and contributions	3,248	773	-	-	3,248	773	320%
General revenues:							
Property taxes	11,201	11,166	-	-	11,201	11,166	0%
Sales taxes	2,223	2,183	-	-	2,223	2,183	2%
Franchise and other taxes	3,946	4,135	-	-	3,946	4,135	-5%
Earnings on investment	731	1,467	107	262	838	1,729	-52%
Unrestricted revenues from other agencies	148	183	-	-	148	183	-19%
Other revenue	119	332	-	-	119	332	-64%
Total revenues	25,889	23,829	2,167	2,249	28,056	26,078	8%
Program expenses:							
General government	3,176	3,330	-	-	3,176	3,330	-5%
Police	6,260	5,319	-	-	6,260	5,319	18%
Fire and emergency medical services	5,191	4,220	-	-	5,191	4,220	23%
Community development and environmental resources	5,751	4,122	-	-	5,751	4,122	40%
Recreation and community services	2,822	2,528	-	-	2,822	2,528	12%
Interest on long-term debt	938	856	-	-	938	856	10%
Sewer	-	-	754	686	754	686	10%
Total program expenses	24,138	20,375	754	686	24,892	21,061	18%
Increase/(decrease) in net assets before transfers and other sources	1,751	3,454	1,413	1,563	3,164	5,017	-37%
Transfers	898	879	(898)	(879)	-	-	
Change in net assets	2,649	4,333	515	684	3,164	5,017	-37%
Net assets - beginning of year	40,895	36,562	12,033	11,349	52,927	47,910	10%
Net assets - end of year	\$ 43,544	\$ 40,895	\$ 12,548	\$ 12,033	\$ 56,091	\$ 52,927	6%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Activities

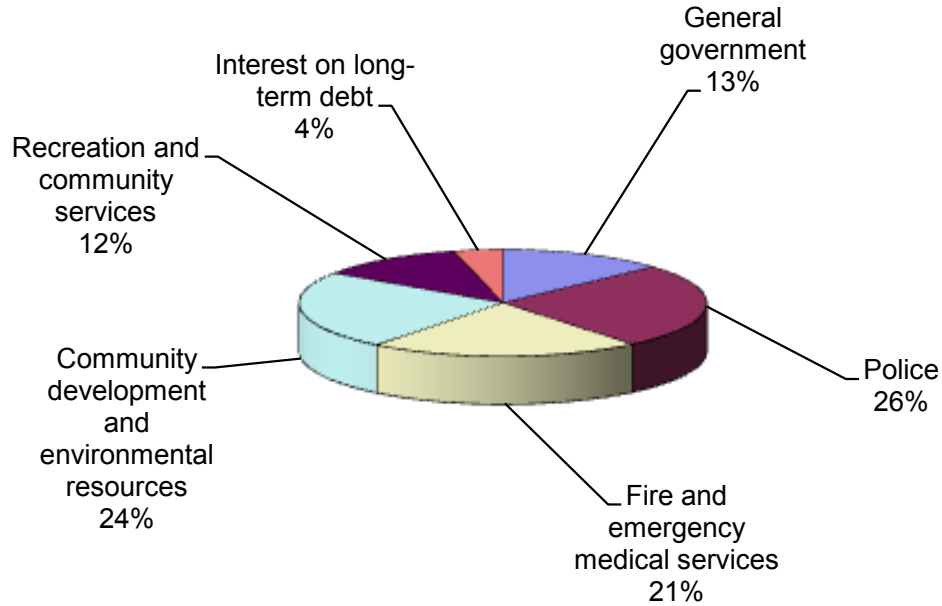
Net assets of governmental activities increased \$2,603,000 in fiscal year 2008-09. An increase in net assets occurs when revenue and transfers-in exceeds expenses and transfers-out.

The largest revenue source is property taxes and while at \$11.2 million they were equal to the prior year, they declined from 47% of total revenue to 43%. Revenue from capital grants and contributions was \$3.2 million and provided 13% of total revenue, up from 3% of total revenue in the prior year. The major grant in fiscal year 2008-09 was \$1,185,000 from the Federal Emergency Management Agency (FEMA).



The chart of revenues by source above, illustrates that property taxes are the largest source of operating revenue for the City. Property taxes have been one of the most stable and consistent growth revenues. However, there was no growth in fiscal year 2008-09 and a result of the collapse of the real estate market resulting in declines in assessed values rather than the increases that had become customary. Property taxes, at 43% of revenue, include the Safety Pension Override Tax, special district assessments, and bonded indebtedness, as well as the City's share of the 1.0% countywide tax. Franchise and other taxes are the second largest source of operating revenue, representing 15% of total revenues, down from 17% in the prior year. Major components of this revenue category are: business license, property transfer taxes, utility user taxes, race track taxes, garbage collection franchise fees and cable TV transmission franchise fees. Property transfer taxes composed 25% of this revenue category. Property transfer taxes declined from \$1,185,000 for fiscal year 2007-08 to \$990,000 for fiscal year 2008-09, a decrease of 17%.

Expenses by Function - Governmental Activities



The chart of expenses graphically portrays the relative proportion of expenditures by function, as listed in the summary statement on page A9 and the Statement of Activities and Changes in Net Assets Statement on page B2. The percentages for all expense categories are comparable to those of the prior year, except for the Community Development and Environmental Resources Department, which increased 4 percentage points, and General Government, which decreased 3 percentage points.

Total expenses for the Community Development and Environmental Resources Department increased 40% from \$4,122,000 to \$5,751,000. The increased expenditures are mostly attributable to the increased activity in sewer and storm drain improvements.

Business-type Activities

The increase in business-type activities net assets of \$515,000 represents activity in the Sewer Enterprise Fund. The principal source of revenue of \$2,060,000 for this fund is the usage charge, which is assessed on the basis of equivalent residential units (ERU). The assessment for this fiscal year was \$286.56/ERU, an increase of 6.3% over the prior year rate.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure compliance with legal and grantor requirements and restrictions on expenditures of funds. The fund basis financial statements presented in this report demonstrate the City's compliance with financial restrictions, and they allow users of the statements to separately analyze individual funds. The City maintains three types of funds: Governmental, Proprietary and Fiduciary.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Governmental Funds

Activity of the Governmental funds is summarized in the following table (the full statement is located on page B4):

**Governmental Funds
Revenues, Expenditures and Other Changes in Fund Balances
For the Fiscal Year Ended June 30, 2009
(thousands)**

	<u>General Fund</u>	<u>Other Major Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues	\$ 13,971	\$ 253	\$ 11,664	\$ 25,888
Current expenditures	16,034	20	6,209	22,263
Capital outlay	-	4,477	7,234	11,711
Debt service	-	-	1,652	1,652
Total expenditures	<u>16,034</u>	<u>4,497</u>	<u>15,095</u>	<u>35,626</u>
Net transfers & debt proceeds	<u>2,309</u>	<u>(20)</u>	<u>2,172</u>	<u>4,461</u>
Net change in fund balances	246	(4,264)	(1,259)	(5,277)
Fund balances, beginning of year	<u>4,779</u>	<u>11,934</u>	<u>16,834</u>	<u>33,547</u>
Fund balances, end of year	<u>\$ 5,025</u>	<u>\$ 7,670</u>	<u>\$ 15,575</u>	<u>\$ 28,270</u>

The focus of the City's governmental funds is to provide information on cash near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009, the City's combined governmental funds reported an ending fund balance of \$28,270,000, a decrease of \$6,276,000 from the prior year. The decrease primarily resulted from expenditures for Civic Center renovation and storm drain and sanitary sewer repairs. Of the \$28,270,000 fund balance: \$1,062,000 is reserved for prepaid expenses and long-term receivables (notes receivable and advances to the Redevelopment Agency), \$18,031,000 is reserved to fund capital projects, \$1,638,000 is reserved for debt service, \$3,979,000 has been designated for specific purposes or is held in special revenue funds, and the unreserved/undesignated General Fund balance is \$3,560,000.

The General Fund is the principal operating fund of the City. At June 30, 2009, the total fund balance was \$5,025,000, of which \$3,560,000 was unreserved and undesignated. The unreserved-undesignated fund balance serves as an operating reserve, and as such, it is important that it is maintained at an appropriate level in relationship to annual operating expenditures. The unreserved-undesignated fund balance increased by \$351,000 over the prior year balance, and equaled 22% of General Fund expenditures.

The Other Major Funds are the Civic Center Improvement Bond Fund, and the General Obligation Bond II Fund. Descriptions of these funds are provided at Page D48. The designation as a major fund is based upon a fund having either assets, liabilities, revenues or expenditures equal to or

MANAGEMENT'S DISCUSSION AND ANALYSIS

greater than 10% of their fund type total or 5% of the grand total of all funds. Funds designated as major funds in fiscal year 2008-09 differ from those of fiscal year 2007-08; thus, year to year comparisons of the combined major funds are not meaningful.

The Civic Center Improvement Bond Fund was created during fiscal year 2007-08. This fund was used to record debt proceeds of \$5,000,000, which will be used for the Civic Center improvements. In addition, the interest earnings from the proceeds were recorded in this fund. The fund balance was \$3,298,000 at the end of the fiscal year.

The General Obligation Bond II Fund was created during fiscal year 2007-08. This fund was used to record debt proceeds of \$6,500,000, which will be used for the Civic Center improvements and various other capital projects. Interest earnings from the proceeds were recorded in this fund. The fund balance was \$4,373,000 at the end of the fiscal year.

Other Governmental Funds are a combination of 42 funds that are scheduled at pages D7 through D56.

Proprietary Funds

At June 30, 2009, net assets of the Sewer Fund (an enterprise fund) were \$12,548,000 and net assets of the internal service funds were \$33,000. The Sewer Fund total assets increased \$153,000 from their balance at June 30, 2008, and long term debt was reduced by \$331,000. Total revenues increased by 3.6% while expenses increased 20%, mostly in materials and supplies. Because the Sewer Fund is an enterprise fund, its fund balance largely represents capital assets, not assets that are available for future expenditures. The unrestricted fund balance is \$5,680,731, and it is planned that these funds will be utilized in completion of a five-year plan for renovation of the sewer system.

The internal service funds consist of the following four funds:

- Community Development Reserve Fund
- Workers' Compensation Claims
- General Insurance Retention
- Compensated Absences Reserves

The Community Development Reserve Fund is used to fund replacement costs for public works and park equipment. The Workers Compensation and General Liability Funds are funded by transfers from the General Fund that are based upon actuarial estimates of future claims expenses, and are fully funded at the end of the year. The Compensated Absence Fund is funded by transfers from the General Fund, based on actual recorded vacation, compensatory time and sick leave. The accrued benefits were fully funded at the end of June 30, 2009. Cash and investments held in these funds were \$3,779,000 at June 30, 2009.

Fiduciary Funds

The major fiduciary fund maintained by the City is the Police and Fire Relief or Pension Fund. The net assets of this fund totaled \$10,034,000 at June 30, 2009, a decrease of \$2,379,000 from the prior year. The decrease is the result of payment of benefits of \$1,344,000 and net loss on investments of \$1,008,000. This is the second consecutive year in which the fund has sustained significant losses in the value of its investments, and as a result, the fund has moved from being fully funded for projected benefits to be paid, to having an unfunded projected liability. Contributions from the Pension Override Tax Fund to the Pension Trust Fund were suspended in fiscal 2006-07, when the fund was determined to be fully funded, but it is management's intention to resume contributions in fiscal 2009-10, based on an actuarial valuation to be completed in December 2009.

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL FUND BUDGETARY HIGHLIGHTS

The original Fiscal Year 2008-09 budget was adopted in June 2007 as the first year of a two-year budget. The budget was amended during the year when it appeared that revenues for the year would fall below the original projections. Anticipated declines in sales tax and property transfer tax revenues did not occur, and service charges and miscellaneous revenues exceeded the original budget, yielding a favorable net variance of revenues over appropriations of \$233,000. The table below summarizes the variances between budget and actual results for the year ended June 30, 2009.

**General Fund Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2009
(thousands)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget</u>
Beginning fund balances, July 1, 2008	\$ 4,484	\$ 4,779	\$ 4,779	\$ -
Resources:				
Revenues	13,444	13,152	13,971	819
Transfers in	3,224	3,211	3,286	75
Total Resources	<u>16,668</u>	<u>16,363</u>	<u>17,257</u>	<u>894</u>
Appropriations:				
Expenditures	16,389	16,100	16,034	(66)
Transfers out	275	250	977	727
Total Appropriations	<u>16,664</u>	<u>16,350</u>	<u>17,011</u>	<u>661</u>
Resources over appropriations	<u>4</u>	<u>13</u>	<u>246</u>	<u>233</u>
Ending fund balances, June 30, 2009	<u><u>\$ 4,488</u></u>	<u><u>\$ 4,792</u></u>	<u><u>\$ 5,025</u></u>	<u><u>\$ 233</u></u>

Transfers

Transfers in to the General Fund are generally made to match restricted revenue with related costs that have been recorded in the General Fund. An example of this type of transfer is the special assessment revenue for EMS (Emergency Medical Services) that is used to pay wages of firefighters/paramedics. Transfers out of the General Fund are made to fund reserves or to provide for capital expenditures that have been recorded in capital project funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Variances

The City experienced positive results for the year in a comparison of actual resources and appropriations to the budget. The budget projected a net increase in fund balance of \$13,000, but the actual results were a net increase of \$246,000, a positive variance of \$233,000.

Total revenues exceeded budget by \$894,000. The major components of this budget variance were:

- Property taxes exceeded budget by \$128,000, as increases in assessed values and reassessments of properties due to improvements and change of ownership were realized even though the real estate market was depressed. Although property values did decline during the year, reassessments of property lags the change in value; thus the declines of 2008-09 will be reflected in the assessments for 2009-10.
- Sales taxes exceeded budget by \$214,000 and exceeded the prior year by \$40,000. Automobile and department store sales in Albany withstood the downward trends seen in the County and Statewide. Revenues in other retail establishments generally declined.
- Franchise and other taxes exceeded budget by \$127,000. The revenue for the year was \$191,000 below the prior year, but the major component of this category, property transfer taxes, declined less than projected, resulting in the favorable budget variance.
- Current service charges were budgeted to increase by \$5,000, but actually increased by \$157,000, yielding a favorable budget variance of \$152,000. The increased revenue was due to increased rates for some services and an increase in demand for services.
- Other revenue exceeded budget by \$214,000, the major item exceeding the budget was fire strike team reimbursements. Other revenue for 2008-09 exceeded revenue for 2007-08 by \$145,000.

Total appropriations exceeded the budget by \$661,000 principally as a result of management decisions to provide for current and future capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Detailed information regarding composition and activity in capital assets is provided in Note 5 to the financial statements. The City's investment in capital assets for governmental and business-type activities as of June 30, 2009 amounted to \$53,859,567 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, furniture and fixtures, machinery and equipment, vehicles, streets, highways, drainage systems, and construction in progress.

Major events affecting capital assets during the current fiscal year included the following:

- Additions to construction in progress for Civic Center Renovation project were \$6,826,000.
- Major repairs the storm drain and sewer systems were completed at a cost of \$2,927,000.
- Land and a single family residence at 842 Masonic Avenue, adjacent to the Senior Center, was purchased at a cost of \$431,166. This property will be use to expand recreational facilities operated by the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Capital Assets, Net of Accumulated Depreciation
June 30, 2009 and 2008
(thousands)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land and construction in progress	\$ 24,183	\$ 14,553	\$ 403	\$ -	\$ 24,586	\$ 14,553
Facilities, infrastructure, and equipment, net	15,563	14,052	13,710	12,601	29,273	26,653
Total	\$ 39,746	\$ 28,605	\$ 14,113	\$ 12,601	\$ 53,859	\$ 41,206

Long-term Debt

At June 30, 2009, the City had total long-term debts and obligations as summarized below.

**Outstanding Long-term Obligations
June 30, 2009 and 2008
(thousands)**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
1997 Refunding COPS	\$ 1,195	\$ 1,590	\$ -	\$ -	\$ 1,195	\$ 1,590
2003 general obligation bonds	7,215	7,385	-	-	7,215	7,385
Civic Center Improvement general obligation bonds	4,930	5,000	-	-	4,930	5,000
General obligation bonds II	6,405	6,500	-	-	6,405	6,500
Sewer revenue bonds	-	-	7,246	7,567	7,246	7,567
Street & Storm parcel tax note	3,465					
Lease purchase agreement	375					
Unamortized bond premium	291	301	-	-	291	301
Other long-term obligations	750	750	-	-	750	750
Total	\$ 24,626	\$ 21,526	\$ 7,246	\$ 7,567	\$ 28,032	\$ 29,093

The City issued Sewer Revenue bonds in the amount of \$8,675,000 in September 2004. The bond proceeds were used for defeasance of outstanding bonds of \$2,750,000, and the balance will be used for major sewer rehabilitation and replacement projects over the next four years. Additional information about the City's long-term debt can be found in Notes 6, 7 and 8 to the financial statements.

In November 2002, voters passed Measure F to authorize the issuance of \$14.5 million of general obligation bonds. The first issuance of \$8 million took place in fiscal year 2003. In November 2006, voters also passed Measure C to authorize the issuance of \$5 million of general obligation bonds. The Measure C bonds and the remaining \$6.5 million Measure F bonds were issued in August 2007. The proceeds from both issuances will be used for various capital facilities as approved by the voters of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City of Albany is a full-service city, responsible for providing most of the essential services required by its citizens. The City's ability to provide high level of services to its citizens is dependent upon a stable revenue stream and consistent revenue growth over time. While the City's economic health is tied to the State and the Nation's economy, the economic fluctuations for the City have been moderate, and we expect them to continue to be moderate.

The City's major revenues include property taxes, sales taxes, and property transfer taxes. The growth of these tax revenues depends on the well being of the overall economy. The economy's impacts on these three revenue sources are discussed below.

The State is experiencing a fiscal crisis, as the 2009-10 budget was balanced with: one-time funds, accounting maneuvers such as accelerating tax collections and deferring the last payroll of the fiscal year, and with revenue projections that were highly optimistic. While the 2009-10 budget problems are disturbing, of greater concern is the outlook for 2010-11. It appears that it will be difficult for the State to balance its budget by borrowing or appropriating local property or sales taxes, as it has done in the past. However, this possibility cannot be totally dismissed, as "necessity is the mother of invention" and "where there is a will there's a way."

The investments held in the City's Police & Fire Pension Plan have suffered major declines in value the last two years, and the Plan has gone from being fully funded to having an unfunded liability of approximately \$1.8 million at September 30, 2009. The City will resume annual contributions to the Plan in fiscal year 2009-10. These contributions will come from the Pension Override Tax Fund.

Property tax is the City's largest revenue source, and current information as to reassessments indicate that an annual growth rate of one to two percent per year is possible, this is significantly below the six to eight percent growth experienced in recent years. Some counties in the State, including Alameda County, may experience declining property tax revenue as homes are sold for less than the current appraised value, and as existing property is reassessed to recognize the decline in market value. The decline in property values has been moderate in Albany, but the possibility exists that overall Alameda County declines could affect the allocation of property taxes to Albany. Home foreclosures are at all time highs in California, but Albany has seen only moderate increases in foreclosure activity, and while property sales are likely to remain below the average of recent years, severe price declines are not projected.

Sales tax is the third largest revenue source for the City. Albany has consistently outperformed surrounding cities in sales tax growth in most months, or experiencing smaller rates of decline over the last two years. In fiscal 2008-09, Albany's sales tax revenue increased while most other cities in the County experienced declines. However, in the last quarter of fiscal year 2008-09 the City reported declines from the prior year. This may signal that fiscal year 2009-10 sales tax revenue will be less than that of fiscal year 2008-09.

Property transfer tax is part of the franchise and other taxes category, which is the second largest revenue source for the City. The number of home sales in the first quarter of fiscal year 2009-10 was equal to the first quarter of fiscal year 2008-09; however, revenue decreased 9% for the same period.

CalPERS, the state administered retirement system to which Albany belongs, has incurred significant losses in its investment portfolio in both 2008 and 2009. These losses will almost certainly result in increases in required employer contributions for all CalPERS plans. CalPERS had announced that contribution rates would increase significantly beginning in fiscal year 2010-11. However, the increases required by existing assumptions and policies became so large that they

MANAGEMENT'S DISCUSSION AND ANALYSIS

were clearly beyond the ability of some employer members to pay. CalPERS has now announced a new smoothing procedure that will reduce the immediate impact of the increase in required contribution.

Albany has chosen to maintain its retirement benefits and other post employment benefits at levels that can be sustained by reasonably expected growth in revenues. Albany has also chosen to make lump sum payments to reduce its unfunded retirement plan liabilities. As a result, the City will be better able than many cities to absorb the pending increases in costs, but the City will face increasing costs each year for the foreseeable future.

Labor agreements expire October, 2009 for Police and December, 2011 for Fire/Paramedics. The poor outlook for the City's major revenue sources will limit the commitment that the City will be able to make for any increases in wages or benefits. Increases in the costs of medical care benefits remain a matter of concern as these cost will likely increase, even though there may be no changes in the labor agreements.

The City has no significant unfunded obligations for post employment benefits.

Renovation of the City Hall, Police Department and Fire Station is expected to be complete in late 2009. City administrative and safety services have been relocated to temporary locations. Current projections are that construction and relocation costs will be covered by the funds earmarked for the project.

REQUESTS FOR INFORMATION

This financial report is designed to provide a comprehensive and understandable portrayal of the City's finances, and to fulfill the City's financial accountability to Albany citizens, governmental entities, and other interested parties. This report is available on the City's website at: <http://www.albanyca.org> under Finance Department. Questions about this report, requests to purchase printed or computer disk copies of this report, and requests for separate financial statements for the Albany Community Reinvestment Agency, and the City of Albany Police and Fire Relief or Pension Fund may be addressed to:

Finance Department
City of Albany
1000 San Pablo Avenue
Albany, CA 94706

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**

CITY OF ALBANY
STATEMENT OF NET ASSETS
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Governmental Activities	Business-Type Activities	Totals	
			2009	2008
ASSETS				
Current assets:				
Operating cash and investments	\$31,738,760	\$ 5,638,490	\$ 37,377,250	\$ 44,056,071
Debt service reserves held with trustee	466,036	-	466,036	198,145
Receivables:				
Taxes	731,855	-	731,855	651,114
Accounts	1,579,050	22,282	1,601,332	965,343
Interest	124,511	-	124,511	304,637
Current portion of note receivable	9,056	-	9,056	8,650
Prepaid items	32,001	-	32,001	429,534
Total current assets	<u>34,681,269</u>	<u>5,660,772</u>	<u>40,342,041</u>	<u>46,613,494</u>
Noncurrent assets:				
Deposits	15,400	-	15,400	15,400
Note receivable, net	334,996	-	334,996	344,253
Deferred charges, net	485,596	151,996	637,592	556,141
Capital assets:				
Nondepreciable assets	24,182,704	402,776	24,585,480	14,552,662
Depreciable assets, net	15,563,646	13,710,441	29,274,087	26,653,994
Total capital assets, net	<u>39,746,350</u>	<u>14,113,217</u>	<u>53,859,567</u>	<u>41,206,656</u>
Total noncurrent assets	<u>40,582,342</u>	<u>14,265,213</u>	<u>54,847,555</u>	<u>42,122,450</u>
Total assets	<u>75,263,611</u>	<u>19,925,985</u>	<u>95,189,596</u>	<u>88,735,944</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,559,697	29,719	1,589,416	897,526
Accrued salaries & benefits	530,608	-	530,608	512,762
Accrued liabilities	1,220,057	102,318	1,322,375	984,640
Compensated absences	28,075	-	28,075	2,000
Claims liabilities	267,233	-	267,233	309,526
Unearned revenue	273,992	-	273,992	871,171
Current portion of long-term debt	805,488	350,000	1,155,488	1,070,000
Total current liabilities	<u>4,685,150</u>	<u>482,037</u>	<u>5,167,187</u>	<u>4,647,625</u>
Noncurrent liabilities:				
Compensated absences	1,276,356	-	1,276,356	1,242,152
Claims liabilities	1,938,172	-	1,938,172	1,895,879
Long-term debt, net	23,820,560	6,896,178	30,716,738	28,023,250
Total noncurrent liabilities	<u>27,035,088</u>	<u>6,896,178</u>	<u>33,931,266</u>	<u>31,161,281</u>
Total liabilities	<u>31,720,238</u>	<u>7,378,215</u>	<u>39,098,453</u>	<u>35,808,906</u>
NET ASSETS				
Invested in capital assets, net of related debt	15,044,907	5,734,953	20,779,860	28,738,469
Restricted for:				
Capital projects	18,031,405	1,132,086	19,163,491	11,644,728
Debt service	1,637,651	-	1,637,651	1,237,759
Other purposes	3,576,622	-	3,576,622	3,730,164
Unrestricted	5,252,788	5,680,731	10,933,519	7,575,918
Total net assets	<u>\$ 43,543,373</u>	<u>\$ 12,547,770</u>	<u>\$ 56,091,143</u>	<u>\$ 52,927,038</u>

CITY OF ALBANY

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Assets			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
						2009	2008	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 3,046,932	\$ 104,751			\$ (2,942,181)		\$ (2,942,181)	\$ (3,230,565)
Police	6,259,695	329,658	347,512		(5,582,525)		(5,582,525)	(4,893,926)
Fire and emergency medical services	5,191,107	808,339	376,589	517,750	(3,488,429)		(3,488,429)	(3,446,081)
Community development and environmental resources	5,895,932	386,333	885,453	2,476,717	(2,147,429)		(2,147,429)	(1,978,007)
Recreation and community services	2,822,672	968,891	65,255	253,248	(1,535,278)		(1,535,278)	(1,608,541)
Interest on long-term debt	909,789				(909,789)		(909,789)	(855,504)
Total governmental activities	24,126,127	2,597,972	1,674,809	3,247,715	(16,605,631)	-	(16,605,631)	(16,012,624)
Business-type activities:								
Sewer	753,955	2,060,046	-	-	-	1,306,091	1,306,091	1,300,447
Total business-type activities	753,955	2,060,046	-	-	-	1,306,091	1,306,091	1,300,447
Change in net assets:								
Net (expense) revenue	\$24,880,082	\$4,658,018	\$ 1,674,809	\$ 3,247,715	(16,605,631)	1,306,091	(15,299,540)	(14,712,177)
General revenues:								
Taxes:								
Property taxes					11,201,983		11,201,983	11,166,306
Sales taxes					2,223,083		2,223,083	2,182,934
Franchise and other taxes					3,945,897		3,945,897	4,134,888
Earnings on investments					718,994	107,285	826,279	1,729,988
Unrestricted revenues from other agencies					147,569		147,569	182,894
Other revenue					118,834		118,834	331,633
Transfers					898,130	(898,130)	-	-
Total general revenues and transfers					19,254,490	(790,845)	18,463,645	19,728,643
Change in net assets					2,648,859	515,246	3,164,105	5,016,466
Net assets, beginning of year					40,894,514	12,032,524	52,927,038	47,910,572
Net assets, end of year					\$ 43,543,373	\$ 12,547,770	\$ 56,091,143	\$ 52,927,038

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FUND

FINANCIAL

STATEMENTS

CITY OF ALBANY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Major Funds				Total Governmental Funds	
	General Fund	Civic Center Improvement	General Obligation Bond II	Other Governmental Funds	2009	2008
ASSETS				*	**	
Operating cash and investments	\$ 3,509,055	\$ 4,812,097	\$ 4,265,673	\$ 15,372,229	\$ 27,959,054	\$ 33,465,962
Debt service reserves held with trustee	-	-	-	466,036	466,036	198,145
Receivables:						
Taxes	598,065	-	-	133,790	731,855	636,539
Accounts	163,358	-	-	1,415,692	1,579,050	963,881
Interest	78,444	19,857	16,266	9,944	124,511	297,734
Note	344,052	-	-	-	344,052	352,903
Prepaid items	32,001	-	-	-	32,001	129,560
Deposits	15,400	-	-	-	15,400	15,400
Due from other funds	499,106	-	90,963	-	590,069	359,761
Due from Internal Service Fund	222,351	-	-	-	222,351	88,162
Advances to other funds	686,203	-	-	-	686,203	686,203
Total assets	\$ 6,148,035	\$ 4,831,954	\$ 4,372,902	\$ 17,397,691	\$ 32,750,582	\$ 37,194,250
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 404,525	\$ 865,488	\$ -	275,222	\$ 1,545,235	\$ 718,646
Accrued salaries & benefits	515,759	-	-	14,849	530,608	512,762
Accrued liabilities	36,413	668,814	-	148,533	853,760	498,951
Due to other funds	-	-	-	590,069	590,069	359,761
Deferred revenue	166,301	-	-	107,691	273,992	871,171
Advances from other funds	-	-	-	686,203	686,203	686,203
Total liabilities	1,122,998	1,534,302	-	1,822,567	4,479,867	3,647,494
Fund balances						
Reserved for prepaid items	32,001	-	-	-	32,001	129,560
Reserved for long-term note receivable	344,052	-	-	-	344,052	352,903
Reserved for interfund receivable	686,203	-	-	-	686,203	686,203
Reserved for capital projects	-	3,297,652	4,372,902	10,360,851	18,031,405	23,800,131
Reserved for debt service	-	-	-	1,637,651	1,637,651	1,237,759
Reserved for special revenue	-	-	-	94,038	94,038	50,388
Unreserved:						
Designated - General Fund-equipment replacement	402,774	-	-	-	402,774	400,550
Designated - Special Revenue Funds (Note 9)	-	-	-	3,482,584	3,482,584	3,679,776
Undesignated - General Fund	3,560,007	-	-	-	3,560,007	3,209,486
Total fund balances	5,025,037	3,297,652	4,372,902	15,575,124	28,270,715	33,546,756
Total liabilities and fund balances	\$ 6,148,035	\$ 4,831,954	\$ 4,372,902	\$ 17,397,691	\$ 32,750,582	\$ 37,194,250
Total fund balances					\$ 28,270,715	\$ 33,546,756
Amounts reported for governmental activities in the statement of net assets are different because:						
Bond premium recognized as other financing sources in government funds statement.					(290,902)	(301,261)
Deferred charges for debt issuance expensed in government funds statement.					485,596	394,011
Net capital assets not reported in government funds statements.					39,746,350	28,605,309
Net assets and liabilities not requiring current resources; therefore not included in government funds statement.					(366,297)	(380,422)
Long-term liabilities not due within one year; therefore not included in government funds statement.					(24,335,146)	(21,225,000)
Net assets of internal service funds not included in government funds statement.					33,057	255,121
Net assets of governmental activities					\$ 43,543,373	\$ 40,894,514

* See page D3 for schedule of funds.

** See page D6 for details of the Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets.

CITY OF ALBANY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Major Funds				Total Governmental Funds	
	General Fund	Civic Center Improvement	General Obligation Bond II	Other Governmental Funds	2009	2008
REVENUES	*	**	**	***		
Property taxes	\$ 5,013,913	\$ -	\$ -	\$ 6,188,070	\$ 11,201,983	\$ 11,166,306
Sales taxes	2,223,083	-	-	-	2,223,083	2,182,934
Franchise and other taxes	3,887,942	-	-	57,955	3,945,897	4,134,888
Licenses and permits	172,331	-	-	471	172,802	177,175
Fines and forfeitures	266,947	-	-	-	266,947	268,989
Earnings on investments	257,455	114,486	139,168	237,577	748,686	1,497,516
Revenues from other agencies	126,500	-	-	4,430,072	4,556,572	1,939,306
Current services charges	1,488,595	-	-	707,406	2,196,001	2,058,844
Other revenue	534,577	-	-	42,655	577,232	432,524
Total revenues	13,971,343	114,486	139,168	11,664,206	25,889,203	23,858,482
EXPENDITURES						
Current:						
General government	2,299,135	-	-	330,212	2,629,347	2,521,740
Police	5,097,895	-	-	1,048,903	6,146,798	5,208,136
Fire and emergency medical services	4,153,412	-	-	952,496	5,105,908	4,189,362
Community development and environmental resources	2,427,960	19,979	-	3,137,664	5,585,603	4,054,703
Recreation and community services	1,905,209	-	-	738,845	2,644,054	2,418,940
Capital outlay	150,758	1,985,514	2,491,852	7,234,225	11,862,349	4,331,647
Debt service:						
Principal	-	-	-	730,000	730,000	540,000
Interest	-	-	-	921,849	921,849	670,707
Total expenditures	16,034,369	2,005,493	2,491,852	15,094,194	35,625,908	23,935,235
REVENUES OVER (UNDER) EXPENDITURES	(2,063,026)	(1,891,007)	(2,352,684)	(3,429,988)	(9,736,705)	(76,753)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	3,840,146	3,840,146	11,500,000
Bond premium	-	-	-	-	-	310,756
Transfers in	3,285,973	-	-	1,253,795	4,539,768	4,610,329
Transfers out	(976,612)	-	(20,089)	(2,922,549)	(3,919,250)	(4,446,758)
Total other financing sources (uses)	2,309,361	-	(20,089)	2,171,392	4,460,664	11,974,327
Net change in fund balances	246,335	(1,891,007)	(2,372,773)	(1,258,596)	(5,276,041)	11,897,574
Fund balances, beginning of year	4,778,702	5,188,659	6,745,675	16,833,720	33,546,756	21,649,182
Fund balances, end of year	\$ 5,025,037	\$ 3,297,652	\$ 4,372,902	\$ 15,575,124	\$ 28,270,715	\$ 33,546,756

* See page D1 for budget comparisons.

** See page D49 for budget comparisons.

*** See page D5 for schedule of funds.

CITY OF ALBANY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
Net Changes in Fund Balances - Total Governmental Funds	(5,276,041)	\$ 11,897,574
<p>Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capitalized expenditures	11,862,353	4,331,648
Depreciation expense	(709,924)	(656,847)
<p>Losses on the disposal of capital assets are reported in the Statement of Activities and Changes in Net Assets, but do not require the use of current financial resources. Therefore, it is not reported as an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
	(11,387)	(4,124)
<p>Long-term issuance of debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Costs and bond premiums associated with the issuance of long-term debt are reported as expenditures and other finance sources in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Assets.</p>		
Issuance of long-term debt	(3,840,146)	(11,500,000)
Bond premiums	-	(310,756)
Bond issuance costs	116,360	277,360
Principal repayments on long-term debt	730,000	540,000
<p>Some expenses reported in the Statement of Activities and Changes in Net Assets do not require the use of current financial resources and therefore are not reported as expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
Amortization of bond premium	10,358	9,495
Amortization of bond issuance costs	(24,775)	(23,035)
Change in accrued interest payable	14,125	(224,280)
<p>Some interest revenues due from other funds reported in the governmental funds are not reported in the Statement of Activities and Changes in Net Assets.</p>		
	(12,352)	(29,987)
<p>Some interest expenses due to other funds reported in the governmental funds are not reported in the Statement of Activities and Changes in Net Assets.</p>		
	12,352	29,987
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenue (expense) of the internal service funds is reported in the Statement of Activities and Changes in Net Assets but not in the Statement of Revenues, Expenditures and Changes in Fund Balances.</p>		
	(222,064)	(4,122)
Total Changes in Net Assets of Governmental Activities	<u>\$ 2,648,859</u>	<u>\$ 4,332,913</u>

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PROPRIETARY FUNDS

FINANCIAL

STATEMENTS

CITY OF ALBANY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2009

(With Comparative Totals for June 30, 2008)

	2009		2008	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
ASSETS				
Current assets:				
Operating cash and investments	\$ 5,638,490	\$ 3,779,706	\$ 6,987,720	\$ 3,602,389
Receivables:				
Other taxes	-	-	14,575	-
Accounts	22,282	-	-	1,462
Interest	-	-	6,903	-
Prepaid items	-	-	-	299,974
Total current assets	<u>5,660,772</u>	<u>3,779,706</u>	<u>7,009,198</u>	<u>3,903,825</u>
Noncurrent assets:				
Deferred charges, net	151,996	-	162,130	-
Capital assets, net	14,113,217	-	12,601,347	-
Total noncurrent assets	<u>14,265,213</u>	<u>-</u>	<u>12,763,477</u>	<u>-</u>
Total assets	<u>19,925,985</u>	<u>3,779,706</u>	<u>19,772,675</u>	<u>3,903,825</u>
LIABILITIES				
Current liabilities:				
Accounts payable	29,719	14,462	67,895	110,985
Accrued liabilities	102,318	-	105,267	-
Due to General Fund	-	222,351	-	88,162
Compensated absences	-	28,075	-	2,000
Claims liabilities	-	267,233	-	309,526
Current portion of long-term debt	350,000	-	340,000	-
Total current liabilities	<u>482,037</u>	<u>532,121</u>	<u>513,162</u>	<u>510,673</u>
Noncurrent liabilities:				
Compensated absences	-	1,276,356	-	1,242,152
Claims liabilities	-	1,938,172	-	1,895,879
Long-term debt	6,896,178	-	7,226,989	-
Total noncurrent liabilities	<u>6,896,178</u>	<u>3,214,528</u>	<u>7,226,989</u>	<u>3,138,031</u>
Total liabilities	<u>7,378,215</u>	<u>3,746,649</u>	<u>7,740,151</u>	<u>3,648,704</u>
NET ASSETS				
Invested in capital assets, net of related debt	5,734,953	-	7,262,591	-
Restricted for capital projects	1,132,086	-	2,164,251	-
Unrestricted	5,680,731	33,057	2,605,682	255,121
Total net assets	<u>\$ 12,547,770</u>	<u>\$ 33,057</u>	<u>\$ 12,032,524</u>	<u>\$ 255,121</u>

CITY OF ALBANY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		2008	
	<u>Business-Type Activities- Enterprise Fund Sewer Fund</u>	<u>Governmental Activities- Internal Service Funds</u>	<u>Business-Type Activities- Enterprise Fund Sewer Fund</u>	<u>Governmental Activities- Internal Service Funds</u>
OPERATING REVENUES				
Services charges	\$ 2,060,046	\$ -	\$ 1,986,934	\$ -
Total operating revenue	<u>2,060,046</u>	<u>-</u>	<u>1,986,934</u>	<u>-</u>
OPERATING EXPENSES				
Expenses for reserve accrual	-	60,280	-	208,892
Materials, supplies and other	125,211	-	49,037	1,032
Claims expenses	-	439,396	-	506,890
Amortization	29,323	-	29,323	-
Depreciation	317,752	-	314,724	3,090
Total operating expenses	<u>472,286</u>	<u>499,676</u>	<u>393,084</u>	<u>719,904</u>
Operating income (loss)	<u>1,587,760</u>	<u>(499,676)</u>	<u>1,593,850</u>	<u>(719,904)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	107,285	-	262,459	-
Interest expense	(281,669)	-	(293,403)	-
Net nonoperating revenues (expenses)	<u>(174,384)</u>	<u>-</u>	<u>(30,944)</u>	<u>-</u>
Income (loss) before transfers	1,413,376	(499,676)	1,562,906	(719,904)
Transfers in	-	277,612	-	715,782
Transfers out	(898,130)	-	(879,353)	-
Net transfers	<u>(898,130)</u>	<u>277,612</u>	<u>(879,353)</u>	<u>715,782</u>
Changes in net assets	515,246	(222,064)	683,553	(4,122)
Net assets, beginning of year	<u>12,032,524</u>	<u>255,121</u>	<u>11,348,971</u>	<u>259,243</u>
Net assets, end of year	<u>\$ 12,547,770</u>	<u>\$ 33,057</u>	<u>\$ 12,032,524</u>	<u>\$ 255,121</u>

CITY OF ALBANY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	2009		2008	
	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds	Business-Type Activities- Enterprise Fund Sewer Fund	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 2,059,242	\$ 301,436	\$ 1,972,331	\$ -
Cash paid to suppliers	(166,336)	(535,920)	-	-
Cash received (payments to) from others	-	-	22,388	(858,943)
Net cash provided by (used by) operating activities	<u>1,892,906</u>	<u>(234,484)</u>	<u>1,994,719</u>	<u>(858,943)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	277,612	-	715,782
Transfers out to other funds	(898,130)	-	(879,353)	-
Claims and Workers' Compensation liabilities transferred to General Fund	-	134,189	-	-
Net cash provided by (used by) no capital financing activities	<u>(898,130)</u>	<u>411,801</u>	<u>(879,353)</u>	<u>715,782</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(1,829,622)	-	(421,552)	-
Principal payments - bonds	(340,000)	-	(330,000)	-
Interest paid	(281,669)	-	(293,403)	-
Net cash provided by (used by) capital and related financing activities	<u>(2,451,291)</u>	<u>-</u>	<u>(1,044,955)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	107,285	-	262,459	-
Decrease in restricted investments	-	-	-	-
Net cash provided by investing activities	<u>107,285</u>	<u>-</u>	<u>262,459</u>	<u>-</u>
Net change in cash and cash equivalents	(1,349,230)	177,317	332,870	(143,161)
Cash and cash equivalents at beginning of year	<u>6,987,720</u>	<u>3,602,389</u>	<u>6,654,850</u>	<u>3,745,550</u>
Cash and cash equivalents at end of year	<u>\$ 5,638,490</u>	<u>\$ 3,779,706</u>	<u>\$ 6,987,720</u>	<u>\$ 3,602,389</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 1,587,760	\$ (499,676)	\$ 1,593,850	\$ (719,904)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Increase (decrease) in compensated absences	-	60,279	-	207,155
Increase (decrease) in claims expense reserve	-	-	-	(227,734)
Depreciation and amortization expense	347,075	-	344,047	3,090
Miscellaneous non-operating revenue (expense)	-	-	-	1,034
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable and prepaid items	(805)	301,436	(14,604)	(301,437)
Increase (decrease) in accounts payable and accrued liabilities	(41,124)	(96,523)	71,426	178,853
Net cash provided by (used by) operating activities	<u>\$ 1,892,906</u>	<u>\$ (234,484)</u>	<u>\$ 1,994,719</u>	<u>\$ (858,943)</u>

FIDUCIARY FUNDS

FINANCIAL

STATEMENTS

CITY OF ALBANY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	2009		2008	
	<u>Pension Trust Fund</u>	<u>Agency Funds</u>	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
	<u>(Police and Fire Pension)</u>	<u>*</u>	<u>(Police and Fire Pension)</u>	<u></u>
ASSETS				
Operating cash and investments	\$ 13,975	\$ 625,643	\$ 8,114	\$ 651,715
Debt service reserves held with trustee	-	479,800	-	483,107
Receivables:				
Interest	850	-	1,904	-
Other	-	54,550	-	59,771
Investments, at fair value:				
Local Agency Investment Fund	112,224	-	101,576	-
Mutual funds	9,912,120	-	12,306,684	-
Total investments, fair value	<u>10,024,344</u>	<u>-</u>	<u>12,408,260</u>	<u>-</u>
Total assets	<u>10,039,169</u>	<u>1,159,993</u>	<u>12,418,278</u>	<u>1,194,593</u>
LIABILITIES				
Accounts payable	5,250	39,805	5,250	23,259
Due to bondholders	-	846,391	-	866,259
Member deposits	-	49,706	-	63,945
Refundable deposits	-	224,091	-	241,130
Total liabilities	<u>5,250</u>	<u>1,159,993</u>	<u>5,250</u>	<u>1,194,593</u>
NET ASSETS				
Assets held in trust for pension benefits	10,033,919	-	12,413,028	-
Total net assets	<u>\$ 10,033,919</u>	<u>\$ -</u>	<u>\$ 12,413,028</u>	<u>\$ -</u>

* See page D61 for schedule of funds.

CITY OF ALBANY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>2009</u>	<u>2008</u>
	Pension Trust Fund	Pension Trust Fund
	(Police and Fire Pension)	(Police and Fire Pension)
ADDITIONS		
Contributions:		
Employer	\$ -	\$ -
Plan members	-	-
Total contributions	<u>-</u>	<u>-</u>
Investment income:		
Net appreciation in fair value of investments	(1,395,333)	(1,527,808)
Interest	5,615	240,982
Dividends	402,288	262,539
Total investment income (loss)	<u>(987,430)</u>	<u>(1,024,287)</u>
Less investment expenses	21,000	108,860
Net investment income	<u>(1,008,430)</u>	<u>(1,133,147)</u>
Other:		
Property tax override	-	-
Total additions to net assets	<u>(1,008,430)</u>	<u>(1,133,147)</u>
DEDUCTIONS		
Benefits paid	1,343,966	1,319,843
Administrative expenses	22,363	21,462
Other expenses	4,350	4,800
Total deductions from net assets	<u>1,370,679</u>	<u>1,346,105</u>
Changes in net assets	(2,379,109)	(2,479,252)
Net assets, beginning of year	<u>12,413,028</u>	<u>14,892,280</u>
Net assets, end of year	<u>\$ 10,033,919</u>	<u>\$ 12,413,028</u>

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**NOTES TO
BASIC FINANCIAL
STATEMENTS**

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 1 – Background

The City of Albany is a largely residential community located on San Francisco Bay in Alameda County, California. The City was incorporated in 1908. The population as of January 2009, as estimated by the California Department of Finance was 16,884.

The City operates under the Council-Administrator form of government, with a full-time City Administrator. The governing body is a five-member council, with one council member serving as mayor. Other elected officials are the City Treasurer and the City Attorney.

In addition to finance and administrative functions, the City Administrator oversees 105 fulltime-equivalent employees in the functions of:

- *Police services* - the Police Department is composed of a Chief of Police, two Lieutenants, five Sergeants, an Administrative Supervisor, sixteen patrol officers, two Detectives, six Public Safety Dispatchers, and various support services personnel for the equivalent of thirty-eight full-time employees. In addition to enforcement of laws and protection of life and property, the department supports the Albany Police Activities League (APAL) and numerous other community service programs.
- *Fire and Emergency Medical Services* - the Fire and Emergency Medical Services Department is composed of a Chief, a Battalion Chief, and eighteen fire fighters and paramedic personnel. The Fire Department is responsible for operation of the City's Emergency Operations Center. Department personnel perform numerous services to benefit the community, such as Christmas toy drives, sale of low cost bicycle helmets and conducting CPR courses.
- *Recreation and Community Services* - the City provides many recreational activities for its citizens, with emphasis on services to youth and seniors. City owned recreational facilities operated by the department are:
 - Community Center,
 - Senior Center,
 - Memorial Park Child Care Center, and
 - Albany Teen Center.
- *Community Development and Environmental Resources* - the functions of City infrastructure maintenance and administration of licensing, permit and zoning activities are assigned to this department. The department is composed of the following three divisions:
 - Planning and Building,
 - Public Works, and
 - Environmental Resources.
- *Finance and Administrative Services* – performs financial accounting, budgeting, insurance administration, investment management, capital projects accounting, and other finance and administrative tasks, as required.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies

The following is a summary of the accounting policies of the City, which conform with accounting principles generally accepted in the United States of America as applicable to governments.

A. Reporting Entity

The financial statements of the City include the financial activities of the City as well as separate legal entities, called component units, which are controlled by or dependent on the City. While these are separate legal entities, the City Council may serve, in separate session, as their governing body and their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed “blending”) with those of the City, in the accompanying financial statements except for the Pension Trust.

- *The City of Albany Police and Fire Relief and Pension Plan (Trust)* is a separate legal trust whose purpose is to provide pension benefits for certain City employees. The Trust’s governing board is composed of the Mayor, City Treasurer, City Clerk, and two members of the Trust. All accounting and administrative functions are performed by the City. The activities of the Trust have been included in the Police and Fire Relief and Pension Trust Fund. Separate financial statements for the Pension Trust may be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.
- *The City of Albany Public Facilities Financing Authority* is a financing authority whose purpose is to provide financing assistance to the City for acquiring real property and improvements for the benefit of the City and surrounding areas. The Authority’s board is composed of the City Council, and all accounting and administrative functions are performed by City staff. The Authority is dependent upon the City for its cash flows, and the activities of the Authority have been recorded in the Public Facilities Financing Authority Debt Service Fund of the City. Separate financial statements are not issued for this entity.
- *The City of Albany Community Reinvestment Agency (Agency)* was activated in the 1998-99 fiscal year pursuant to the State of California Health and Safety Code Section 33000, entitled “Community Redevelopment Law.” Its purpose is to prepare and carry out plans for improvements, rehabilitation, and redevelopment of blighted areas with the territorial limits of the City of Albany. The Agency meets the definition of a “component unit”, and is presented on a “blended” basis, as if part of the primary government. Although it is a legally separate entity, the governing board of the Agency is comprised of the same membership as the City Council. The City may impose its will on the Agency, including the ability to appoint, hire, reassign, or dismiss management. There is also a financial benefit/burden relationship between the City and the Agency. Separate financial statements for the Agency can be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.
- *Albany Municipal Services Joint Powers Authority (Authority)* was established by the City of Albany and the Albany Community Reinvestment Agency to employ management employees of the City that are not members of an organized bargaining unit. Members of the City Council serve on the governing board, and the City reimburses the Authority for all expenses. Because the Authority’s financial activities are related solely to those of the City, they are included in the City’s financial statements. Separate financial statements are not issued for this entity.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government - wide Financial Statements

The City Government-wide Financial Statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type Activities for the City, accompanied by a total column. Internal Service Funds activities are excluded to avoid “doubling up” revenues and expenses. Fiduciary activities of the City are not included in the government-wide statements.

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities and Changes in Net Assets presents revenues, expenditure and fund transfers that produce changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liability is incurred.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for the business-type activities of the City and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Certain eliminations have been made as prescribed by Governmental Accounting Standards Board Statement No. 34 in regards to interfund activities, payables and receivables. The City does not have internal payments that are treated as program revenue. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, transactions between governmental and business-type activities have not been eliminated.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus (Continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements.

Revenues subject to accrual are property taxes, franchise taxes, interest revenue, and charges for services. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue. Licenses and permits are not subject to accrual because, generally, they are not measurable until received in cash.

Expenditures are generally recognized when a liability is incurred, under the modified accrual basis of accounting. Principal and interest on general long-term debt are recognized when due. Financial resources are appropriated in other funds for transfer to a debt service fund in the period in which maturing debt principal and interest must be paid. Thus, amounts are not current liabilities of the debt service fund, as their settlement will not require expenditure of existing fund assets.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus (Continued)

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The statement of revenues, expenditures and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as subject to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The major governmental funds of the City are:

- *General Fund* – This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- *Civic Center Improvement Bonds* – This fund is used to account for the General Obligation Bond, Series 2007, issued to finance the structural improvements of the fire department, police department and city hall buildings.
- *General Obligation Bond II* – This fund is used to account for the General Obligation Bond, Series 2007, issued to finance the repair and improvement of recreational facilities; structural improvements to the fire department, police department and city hall buildings; residential street improvements; bike path improvements, construction and safety lighting; create and improve new and existing parks; and resurface city streets. This is the second issuance of the 2002 Election Bonds. The first issuance was issued in June 2003 for \$8,000,000.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

The City of Albany reports the Sewer Enterprise Fund as a major proprietary fund type. The Sewer Enterprise Fund accounts for sewage transmission provided to City residents. The cost of this service, including depreciation, is recovered through user charges.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting/Measurement Focus (Continued)

The City's internal service funds at June 30, 2009 are the Community Development Equipment Reserve Fund, Worker's Compensation Fund, General Liability Fund, and the Compensated Absences Fund. The Community Development Equipment Reserve Fund is used to accumulate resources to be used for replacement of public works and park equipment. The Worker's Compensation Fund is used to cover known and unknown claims that may occur relating to worker injuries. The General Liability Fund is used to cover future general liability claims against the City. The Compensated Absences Fund is used to reserve funds required to pay off accrued liabilities for vacations, compensatory time and sick leave upon employees' retirement or other termination of employment.

Proprietary funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund; all other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund, and all other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a statement of net assets and a statement of changes in net assets. The City's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City includes in its Comprehensive Annual Financial Report (CAFR) the Police and Fire Pension Trust Fund, which accounts for the activities of the City of Albany Police and Fire Relief or Pension Fund.

Agency funds are custodial in nature and do not require reporting of the results of operations and no measurement focus is applied to these funds. The accrual basis of accounting is utilized for reporting revenues and expenditures in agency funds. The City collects and distributes fees, special assessments, and deposits for outside parties based on agreements. Agency fund transactions are presented in the statement of changes in fiduciary assets and liabilities on page D62.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 2 – Summary of Significant Accounting Policies (Continued)

C. Budgetary Policies

Procedures followed in establishing the budgetary data reflected in the financial statements are presented below:

1. By June 1, of even-numbered years, the City Administrator submits to the City Council an operating budget and capital improvement budget for the two fiscal years commencing the following July 1. The operating budget includes proposed expenditures and the sources of financing.
2. Public hearings and work sessions are conducted to obtain comments from interested individuals and organizations.
3. The budget is formalized and legally enacted through City Council resolution.
4. All intrafund transfers above \$5,000 require the approval of the City Administrator (or designee). All intrafund transfers below \$5,000 require the approval of the Finance and Administrative Services Director (or designee). Interfund transfer approval must be obtained from both the City Administrator and Finance and Administrative Services Director. Such approval shall only be given provided the interfund transfer does not change the total initial appropriation for all funds requiring budgets. Changes in appropriations at the fund level must be approved by the City Council.
5. Formal budgetary integration, in the form of the annual budgets, is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.
6. Budgets for General, Special Revenue, and Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at the end of the fiscal year.
7. As needed, budgeted amounts are subjected to amendments presented to City Council for approval. Budgeted amounts appearing in these statements are as amended by the City Council through June 30, 2009.

D. Revenue Recognition for the Sewer Enterprise Fund

Sewer service charges are billed and collected by the County Auditor-Controller's Office. Semi-annual payments are due November 1 and February 1 of the fiscal year in which the service is provided. Any charges billed but not received, as of the end of the fiscal year, are accrued.

E. Compensated Absences

City employees have a vested interest in accrued vacation time and twenty-five percent of accrued sick leave time. This accrued leave time will eventually be used by employees or paid-off by the City. The City has obligations for accrued vacation and sick leave in the amount of \$1,304,431, which is recorded in the Compensated Absences Internal Service Fund. The current portion of the liability is \$28,075, and the noncurrent portion is \$1,276,356.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

F. Property Tax

Alameda County officials assess property, issue assessments and collect the tax proceeds. The County distributes taxes, plus any related interest and penalties, to the City.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and become delinquent on August 31.

The term “unsecured” refers to taxes on personal property other than real estate, land, and buildings, which are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

G. Cash and Cash Equivalents, and Cash Flows

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Proprietary fund types operating cash and investments have been used to prepare the statements of cash flows. Debt service reserves with trustees have original maturity terms of more than three months, and are not included as cash equivalent in the statement of cash flows.

H. Prepaid Items

Prepaid items represent amounts paid in advance for a benefit not yet received. This type of expenditure normally includes costs paid in one fiscal year (or period) that benefits a future year (or period). The City uses the consumption method of accounting for prepaid items under which purchases are debited to a prepaid asset account and are recorded as expenditures or expenses when used.

I. Capital Assets

Governmental activity capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. Infrastructure assets include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. Capital assets are recorded at cost and depreciated over their estimated useful lives. Depreciation is charged to governmental activities, by function.

Business-type activity capital assets are recorded at cost and depreciated over their estimated useful lives. The purpose of depreciation is to spread the costs of business-type capital assets equitably among all customers over the life of these assets, so that each customer’s bill includes a pro rata share of the cost of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of business-type activities capital assets.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets (Continued)

The capitalization threshold for capital assets is \$5,000 with a useful life of at least two years. Depreciation of capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, accumulated depreciation, is reported on the Statement of Net Assets as a reduction in the book value of capital assets.

Depreciation of capital assets in service is provided using the straight-line method, which means the cost of the asset is divided by its expected useful life in years, and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Furniture and Equipment	5-10 years
Sewer transmission lines	50 years
Vehicles	5 years
Buildings	20-50 years
Infrastructure	20-70 years

J. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them; distributions may be made only at termination of employment, retirement, death, or in an emergency as defined by the plan.

K. New Accounting Pronouncements

In 2009, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits (OPEB) Other Than Pensions*. GASB 45 establishes standards for the measurement, recognition, and display of OPEB costs and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local government employers. GASB 45 implementation is effective this fiscal year, however, the City has determined the GASB 45 requirements do not apply to the City and it does not have any OPEB costs that require accrual of liability or funding.

In 2009, the GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Statement establishes the incorporation of the hierarchy of Generally Accepted Accounting Principles (GAAP) for state and local governments which is currently set forth in the American Institute of Certified Public Accountants' (AICPA) into the Governmental Accounting Standards Board's (GASB) authoritative literature. GASB 55 implementation is effective in 2010-11 and the revised classifications of fund balance is expected to reduce the City's current "Unrestricted" fund balance classification as reported under the new rules.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 – Summary of Significant Accounting Policies (Continued)

K. New Accounting Pronouncements (Continued)

In 2009, the GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The Statement establishes the incorporation into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statement on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles – Related party transactions, going concern considerations, and subsequent events.

L. Use of Estimates

The preparation of the basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

M. Reclassifications/Comparative Data

Changes in the level of activities in selected funds have required that funds be grouped differently in the current year than they were grouped in the prior year. To provide comparative prior year totals, some funds have been reclassified from the prior year classifications to conform with the current year classifications. Prior year total columns on the accompanying financial statements are not necessary for a fair presentation of the financial statements, but are presented to facilitate financial analysis.

NOTE 3 – Cash and Investments

The City's dependence on property tax receipts and seasonal revenue sources requires it to maintain significant cash reserves to finance operations. Except debt service reserves with trustees, bond proceeds from special assessment districts, and bond proceeds from sewer revenue bonds, the City pools cash from all sources and funds, so that these funds may be invested at the maximum yield, consistent with safety and liquidity, while allowing expenditures from individual funds at any time. Disclosure for the Albany Police and Fire Relief or Pension Plan investments can be found in Note 12.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 3 – Cash and Investments (Continued)

A. Summary of Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of net assets:	
Cash and investments	\$ 37,377,250
Debt service reserves held with trustee	466,036
Fiduciary funds:	
Cash and investments	10,663,962
Debt service reserves held with trustee	479,800
Total cash and investments	\$ 48,987,048

B. Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 22,345
Deposits with financial institutions	1,230,662
Investments	47,734,041
Total cash and investments	\$ 48,987,048

C. Authorized Investments

The table below identifies the investment types that are authorized by the City’s Investment Policy. The table also identifies certain provisions of the City’s Investment Policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the City’s investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of *Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	N/A	N/A	N/A
U.S. Agency Securities	N/A	N/A	N/A
Banker's Acceptance	180 days	40%	10%
Commercial Paper	270 days	15%	10%
Medium-Term Notes	One year	15%	5%
Money Market Mutual Funds	N/A	N/A	N/A
Repurchase Agreements	7 days	N/A	N/A
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A
Investment Trust of California (CalTrust)	N/A	25%	N/A
Negotiable Certificates of Deposits	One year	15%	N/A

*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 3 – Cash and Investments (Continued)

C. Authorized Investments (Continued)

Debt Service Reserves with trustee are invested in accordance with indentures governing the related debt. The trustee may invest in U.S. treasury notes and bonds, and in pooled investments that invest in those securities.

D. Risk Disclosures

Interest Rate Risk. This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the maturity of its portfolio. In accordance with the City's investment policy, the City is not allowed to invest more than 25% of its investment portfolio in maturities greater than one year. Investments which exceed five years in maturity require City Council's approval. Further, each individual security is limited to one million dollars.

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
State investment pool	\$ 29,562,773	\$ 29,562,773	-	-	-
CalTrust investment pool	6,197,057	6,197,057	-	-	-
Certificates of deposit	1,004,015	1,004,015	-	-	-
Operating cash	613,405	613,405	-	-	-
Total	\$ 37,377,250	\$ 37,377,250	\$ -	\$ -	\$ -

Credit Risk. This is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. That is measured by the assignment of a rating by a nationally recognized credit rating organization. Presented below is the actual rating as of year end for each investment type.

Investment Type	Fair Value	Rating as of Year End
		Not Rated
State investment pool	\$ 29,562,773	\$ 29,562,773
CalTrust investment pool	6,197,057	6,197,057
Certificates of deposit	1,004,015	1,004,015
Operating cash	613,405	613,405
Total	\$ 37,377,250	\$ 37,377,250

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

The City's general policy is to apply the prudent-investor rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. As of June 30, 2009, there are no investments in any one issuer that represent 5% or more of total City investments.

Custodial Credit Risk. Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a depositor will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counter party (e.g., broker-dealer) to a transaction, a depositor will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governments units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2009, City bank balances were \$2,684,854 at five institutions, including certificates of deposits of \$1,250,000 which were covered by depository insurance. The remaining balance of \$1,434,854 was held in accounts collateralized with securities held by the financial institutions.

E. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The City is required to disclose its methods and assumptions used to estimate the fair value of its holdings in LAIF. The City relied upon information provided by the State Treasurer in estimating the City's fair value position of its holding in LAIF. The City had a contractual withdrawal value of \$29,562,773 whose pro-rata share of fair value was estimated by the state Treasurer to be \$29,601,345. The fair value change in this investment for the year came to an amount that was not material for presentation in the financial statements.

The City's investments with LAIF at June 30, 2009 included a portion of the pooled funds invested in structured notes and asset-backed securities. Structured notes are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. Asset-backed securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMS) or credit card receivables.

As of June 30 2009, the State Treasurer had invested 14.71% of the pool's funds in structured notes and asset-backed securities. Fair value of LAIF investments was calculated by applying a factor of 1.001304743 to total book value of investments held by LAIF.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 3 – Cash and Investments (Continued)

F. Fair Value of Investments

Accounting pronouncement, GASB Statement No. 31, generally applies to investments in external investment pools, investments purchased with maturities greater than one year, mutual funds, and certain investment pools/agreements. Generally, governmental entities need to report the “fair value” changes for these investments at year-end and records these gains or losses on their income statement.

Methods and assumptions used to estimate fair value: The City maintains investment accounting records on amortized cost, and adjusts those records to “fair value” for external reporting purpose. The Funds investment custodians provide market values on each investment instrument on a monthly basis. The investments held by the Funds are widely traded in the financial markets, and trading values are readily available from numerous published sources. The Funds have elected to report their money market investments (those investments with maturities of less than one year) at amortized cost adjusted to fair value. Unrealized gains and losses are recorded and the carrying value of their investments is considered “fair value.”

NOTE 4 – Receivables

Note Receivable

Per the employment agreement between the City and the City Administrator, the City, in September 2001, loaned the City Administrator \$400,000 to be used toward the purchase of her principal residence. The loan includes interest at one-eighth of a percentage point above the interest that the City earned from LAIF (Local Agency Investment Fund Account) as of the date of the loan. The outstanding principal balance of the loan at June 30, 2009, was \$344,052, and is recorded in the General Fund as a note receivable.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 – Capital Assets

The following is a summary of capital assets as of June 30, 2009:

	Governmental Activities	Business- Type Activities	Total
Capital assets not being depreciated:			
Land and improvements	\$ 12,444,994	\$ -	\$ 12,444,994
Construction in progress	11,737,710	402,776	12,140,486
Nondepreciable assets	<u>24,182,704</u>	<u>402,776</u>	<u>24,585,480</u>
Depreciable capital assets:			
Buildings	8,683,306	-	8,683,306
Furniture and fixtures	557,751	-	557,751
Machinery and equipment	976,621	56,928	1,033,549
Vehicles	2,806,767	-	2,806,767
Sewer lines	-	17,408,527	17,408,527
Infrastructure	<u>9,055,049</u>	<u>-</u>	<u>9,055,049</u>
Total	22,079,494	17,465,455	39,544,949
Less: accumulated depreciation	<u>6,515,848</u>	<u>3,755,014</u>	<u>10,270,862</u>
Depreciable capital assets, net	<u>15,563,646</u>	<u>13,710,441</u>	<u>29,274,087</u>
Total capital assets, net	<u>\$ 39,746,350</u>	<u>\$ 14,113,217</u>	<u>\$ 53,859,567</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 – Capital Assets (Continued)

Transactions and balances of capital assets were as follows:

	Balances June 30, 2008	Additions	Transfers/ Retirements	Balances June 30, 2009
Governmental activities:				
Nondepreciable assets:				
Land and improvements	\$ 12,030,253	\$ 414,741	\$ -	\$ 12,444,994
Construction in progress	2,522,409	9,353,305	\$ 138,004	11,737,710
Total nondepreciable assets	<u>14,552,662</u>	<u>9,768,046</u>	<u>138,004</u>	<u>24,182,704</u>
Depreciable assets:				
Buildings	8,254,565	430,106	1,365	8,683,306
Furniture and fixtures	547,249	10,502	-	557,751
Machinery and equipment	848,309	289,950	161,638	976,621
Vehicles	1,507,626	1,363,745	64,604	2,806,767
Infrastructure	8,917,045	138,004	-	9,055,049
Total depreciable assets	<u>20,074,794</u>	<u>2,232,307</u>	<u>227,607</u>	<u>22,079,494</u>
Less accumulated depreciation for:				
Buildings	2,782,399	165,814	1,231	2,946,982
Furniture and fixtures	113,094	9,275	-	122,369
Machinery and equipment	569,023	97,730	156,655	510,988
Vehicles	1,202,492	154,843	58,337	1,298,998
Infrastructure	1,355,139	282,262	-	1,637,401
Total accumulated depreciation	<u>6,022,147</u>	<u>709,924</u>	<u>216,223</u>	<u>6,515,848</u>
Total depreciable assets, net	<u>14,052,647</u>	<u>1,522,383</u>	<u>11,384</u>	<u>15,563,646</u>
Internal service fund fixed assets:				
Depreciable assets:				
Vehicles	400,138	-	-	400,138
Total depreciable assets	<u>400,138</u>	<u>-</u>	<u>-</u>	<u>400,138</u>
Less: accumulated depreciation	<u>400,138</u>	<u>-</u>	<u>-</u>	<u>400,138</u>
Total depreciable assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 28,605,309</u>	<u>\$ 11,290,429</u>	<u>\$ 149,388</u>	<u>\$ 39,746,350</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 – Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Governmental activities:

General government	\$ 34,269
Police	106,627
Fire and emergency medical services	80,081
Community development and environmental resources	310,329
Recreation and community services	178,618
Total governmental activities depreciation expense	\$ 709,924

	Balances June 30, 2008	Additions	Transfers/ Retirements	Balances June 30, 2009
Business-type activities:				
Sewer Enterprise Fund fixed assets:				
Nondepreciable Assets:				
Construction in progress	\$ 388,037	\$ 402,776	\$ 388,037	\$ 402,776
Total nondepreciable assets	388,037	402,776	388,037	402,776
Depreciable Assets:				
Sewer lines	15,593,644	1,814,883	-	17,408,527
Machinery and equipment	56,928	-	-	56,928
Total depreciable assets	15,650,572	1,814,883	-	17,465,455
Less accumulated depreciation for:				
Sewer lines	3,430,150	314,865	-	3,745,015
Machinery and equipment	7,112	2,887	-	9,999
Total accumulated depreciation	3,437,262	317,752	-	3,755,014
Total depreciable assets, net	12,213,310	1,497,131	-	13,710,441
Total business-type activities	\$ 12,601,347	\$ 1,899,907	\$ 388,037	\$ 14,113,217

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 – Governmental Activities Debt

The City generally incurs debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. The City's debt issues and transactions related to governmental activities are summarized below and discussed in detail subsequently.

Debt-Governmental Activities	Balances June 30, 2008	Additions	Retirements	Balances June 30, 2009	Due within one year
Long-term debt:					
1997 Refunding COPS 4.25-4.8%, 9/1/12	\$ 1,590,000	\$ -	\$ 395,000	\$ 1,195,000	\$ 415,000
2003 general obligation bonds 3.00-4.00%, 8/1/33	7,385,000	-	170,000	7,215,000	175,000
Civic Center Improvement general obligation bonds 4.00-8.00%, 8/1/37	5,000,000	-	70,000	4,930,000	80,000
General obligation bonds II 4.00-7.00%, 8/1/37	6,500,000	-	95,000	6,405,000	105,000
2009 Street & Storm Drain parcel tax note, 4.6% 8/1/21	-	3,465,156	-	3,465,156	-
Lease purchase agreement 4.52%, 9/3/18	-	374,990	-	374,990	30,488
	<u>20,475,000</u>	<u>3,840,146</u>	<u>730,000</u>	<u>23,585,146</u>	<u>805,488</u>
Unamortized bond premium	301,261	-	10,359	290,902	
Landfill postclosure costs	750,000	-	-	750,000	
Total long-term debt	<u>\$ 21,526,261</u>	<u>\$ 3,840,146</u>	<u>\$ 740,359</u>	<u>\$ 24,626,048</u>	<u>\$ 805,488</u>

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 – Governmental Activities Debt (Continued)

The liability for landfill postclosure costs relates to a construction landfill known as the Albany Bulb. It is anticipated that this land will be transferred to Eastshore State Park without additional costs to the City.

A. 1997 Refunding Certificates of Participation

On December 1, 1997 the City issued \$4,760,000 in Refunding Certificates of Participation (COPS) with interest rates ranging from 4.25 percent to 4.80 percent, to advance refund the \$1,465,000 1989 Refunding COPS with interest rates ranging from 6.6 percent to 7.85 percent, and the \$2,980,000 1992 Refunding COPS with interest rates ranging from 4.75 percent to 6.9 percent. The Net proceeds of \$ 4,579,934 (after payment of \$180,466 in underwriting fees, insurance, and other issuance costs) plus an additional \$500,516 of 1989 and 1992 reserve funds, were deposited into trust to defease the 1989 and 1992 bonds. The 1989 and 1992 lease revenue bonds that have been advanced refunded financed improvements to the maintenance center, and the acquisition of the Library/Community Center complex site and construction of the Center. The 1997 COPS are collateralized by the City's non-cancelable lease covering the Library/Community Center Complex, which terminates September 1, 2012.

A portion of the assessments from the City's Lighting and Landscape Assessment District Fund are being pledged to pay for the debt. Annual principal and interest payments on the debt require about 67% of the assessments (the portion contributed from assessments). The total principal and interest remaining to be paid on the bonds is \$1,289,894. Principal and interest paid for the current year and assessments were \$473,900 and \$471,064, respectively.

B. 2003 General Obligation Bonds

In November 2002, voters passed a ballot measure authorizing the issuance of general obligation bonds in the amount of \$14,500,000, the proceeds to be used for various capital improvements over a period of several years. In June 2003, the City issued \$8,000,000 of the bonds. Interest payments are due February 1st and August 1st and principal payments are due August 1st of each year, with the final payment due August 1, 2033.

C. Civic Center Improvement General Obligation Bonds

In November 2006, voters passed a ballot measure authorizing the issuance of general obligation bonds in the amount of \$5,000,000, the proceeds to be used for the structural improvements of the fire department, police department and city hall buildings. The bonds were issued In August 2007. Interest payments are due February 1st and August 1st and principal payments are due August 1st of each year, with the final payment due August 1, 2037.

D. General Obligation Bonds II

This is the second issuance of the \$14,500,000 bonds approved by the voters in November 2002. The first issuance of \$8,000,000 was issued in June 2003. The remaining \$6,500,000 was issued in August 2007 along with the \$5,000,000 Civic Center Improvement bonds. The proceeds to be used for various capital improvements including the civic center retrofit project. Interest payments are due February 1st and August 1st and principal payments are due August 1st of each year, with the final payment due August 1, 2037.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 – Governmental Activities Debt (Continued)

E. 2009 Street & Storm Drain Parcel Tax Note

In June 2006, voters passed a ballot measure (Measure F) authorizing a street paving and storm drain parcel tax to finance citywide street paving and storm drain facility repairs and improvements. In April 2009, the City entered into a parcel tax note agreement with Capital One Public Financing, LLC in the amount of \$3,465,156. Interest payments are due August 1st and February 1st and beginning in 2010 principal payments are due August 1st and February 1st of each year, with the final payment due August 2, 2021.

F. Lease Purchase Agreement

On September 3, 2008, the City entered into a lease purchase agreement with Sun Trust Equipment Finance & Leasing Corp in the amount of \$374,990 to finance the purchase of a fire engine. Ownership of the fire engine passes to the City at the end of the lease. The cost of the fire engine has been included in the City's financial statements.

G. Arbitrage

As of June 30, 2009, it is anticipated that one or more bond funds will incur arbitrage liabilities within the next two years, but these liabilities will not impact the General Fund. Management does not anticipate the arbitrage payment will have material effect on the bond funds to which they are assessed.

H. Landfill Postclosure Costs

See Note 16 for a complete discussion of the landfill postclosure costs.

I. Future Governmental Activities Debt Service

Debt service schedules for the COPS, general obligation bonds, and lease purchases are as follows:

Year Ending June 30	Total Principal	Total Interest
2010	\$ 805,488	\$ 1,017,479
2011	886,521	1,006,441
2012	933,879	961,233
2013	981,811	913,419
2014	1,952,274	1,231,298
2015-2019	3,940,173	3,572,886
2020-2024	3,025,000	2,889,111
2025-2029	3,770,000	2,168,108
2030-2034	4,700,000	1,203,703
2035-2038	2,590,000	276,775
Totals	\$ 23,585,146	\$ 15,240,453

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 6 – Governmental Activities Debt (Continued)

I. Future Governmental Activities Debt Service (Continued)

Year Ending June 30	Principal					
	1997 COPS	2003 GO Bonds	Civic Center Improvement GO Bonds	GO Bonds II	2009 Street & Storm Drain Parcel Tax Note	Lease Purchase Agreement
2010	\$ 415,000	\$ 175,000	\$ 80,000	\$ 105,000	\$ -	\$ 30,488
2011	245,000	180,000	85,000	110,000	234,655	31,866
2012	260,000	185,000	90,000	120,000	245,573	33,306
2013	275,000	190,000	100,000	125,000	256,999	34,812
2014	-	200,000	105,000	135,000	1,475,889	36,385
2015-2019	-	1,115,000	595,000	770,000	1,252,040	208,133
2020-2024	-	1,360,000	720,000	945,000	-	-
2025-2029	-	1,700,000	895,000	1,175,000	-	-
2030-2034	-	2,110,000	1,130,000	1,460,000	-	-
2035-2038	-	-	1,130,000	1,460,000	-	-
Totals	\$ 1,195,000	\$ 7,215,000	\$ 4,930,000	\$ 6,405,000	\$ 3,465,156	\$ 374,990

Year Ending June 30	Interest					
	1997 COPS	2003 GO Bonds	Civic Center Improvement GO Bonds	GO Bonds II	2009 Street & Storm Drain Parcel Tax Note	Lease Purchase Agreement
2010	\$ 47,936	\$ 234,479	\$ 282,876	\$ 305,065	\$ 130,174	\$ 16,949
2011	32,096	228,729	275,776	297,540	156,729	15,571
2012	19,846	223,479	268,476	289,490	145,811	14,131
2013	6,738	217,779	260,976	280,915	134,385	12,626
2014	-	212,548	254,176	272,490	481,032	11,052
2015-2019	-	990,610	1,167,816	1,267,600	117,806	29,054
2020-2024	-	852,882	945,366	1,090,863	-	-
2025-2029	-	673,450	636,293	858,365	-	-
2030-2034	-	429,250	222,275	552,178	-	-
2035-2038	-	116,750	9,775	150,250	-	-
Totals	\$ 106,616	\$ 4,179,956	\$ 4,323,805	\$ 5,364,756	\$ 1,165,937	\$ 99,383

General Fund, Sewer Fund, and Landscape and Lighting Special Revenue Fund revenues are used to service the COPS.

The City is required to maintain amounts of cash and investments with trustees or fiscal agents under the terms of the above debt issues. These funds are pledged as reserves to be used if the City fails to meet its obligations under debt issues. These reserves totaled \$466,036 and \$198,037, respectively at June 30, 2009 and 2008.

The California Government Code requires these funds to be invested in accordance with the City ordinance, bond indentures or State statute. All funds have been invested as permitted under the Code.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 – Special Assessment District Debt

On February 10, 1999 the City issued Limited Obligation Improvement Bonds in the amount of \$6,230,000, pursuant to the provisions of the Improvement Bond Act of 1915 and the 1972 LLMD Act. The bonds were issued to finance certain improvements and acquisitions in the City's Open Space, Recreational Playfield, and Creek Restoration Assessment District No. 1996-1 (the District). Assessments sufficient to meet annual debt service on the bonds are billed by the County of Alameda to owners of assessment parcels located within the District.

Neither the faith and credit nor the taxing power of the City, the State of California or any political subdivision thereof is pledged to the payment of the bonds. Therefore, the debt is not recorded in the City's Government-wide Financial Statements.

The outstanding balance of the bonds as of June 30, 2009 is \$4,045,000.

NOTE 8 – Business-Type Activities Debt

On September 1, 2004, the City issued \$8,675,000 in Sewer Revenue Bonds, in which a portion of the proceeds was used to defease the City's 1993 Sewer Revenue Bonds in the amount of \$2,750,000 as of the issue date. The reacquisition price exceeded the net carrying amount of the old debt by \$142,377. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The remaining proceeds will be used to finance certain improvements to the City's sewer system. The bonds mature serially, each September 1, and semi-annual interest payments are due each September 1 and March 1.

The Bonds are special obligations of the City and are secured by and payable solely from operating revenue of the Sewer Enterprise Fund. The bonds maturing on or before September 1, 2014, are not subject to optional redemption prior to maturity. The bonds maturing on or after September 1, 2015, are subject to redemption prior to their respective maturity dates, at the option of the City, from any source of available funds, as a whole on any date on or after September 1, 2014, at a redemption price equal to the principal amount of the bonds together with a premium. These mandatory redemptions are to be made from sinking fund payments made by the City in the year of redemption. Bonds maturing on or after September 1, 2014 may be redeemed at par plus a 2 percent premium, which decreases until September 1, 2016, at which time they may be redeemed at par. The interest rates range from 2.00% to 4.40%.

The City has pledged future sewer service charges, net of specified operating expenses, to repay the debt. Annual principal and interest payments on the debt are payable solely from net revenues through 2024. The total principal and interest remaining to be paid on the bonds is \$10,041,741. Principal and interest paid for the current year was \$626,362 and sewer revenue net of operating expenses was \$1,229,142.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 8 – Business-Type Activities Debt (Continued)

The following is a summary of changes in long-term debt.

	Balances			Balances	Due within
	June 30, 2008	Additions	Retirements	June 30, 2009	one year
Sewer revenue bonds	\$ 7,700,000	\$ -	\$ 340,000	\$ 7,360,000	\$ 350,000
Unamortized bond issuance cost	162,130	-	10,134	151,996	
Deferred amortization on refunding	(79,097)	-	(15,820)	(63,277)	
Original issue discount	(53,914)	-	(3,369)	(50,545)	
Total	\$ 7,729,119	\$ -	\$ 330,945	\$ 7,398,174	\$ 350,000

Annual debt service repayment requirements to repay the Sewer Revenue Bonds and amortization of bond issuance costs and refunding discount at June 30, 2009 are:

Year ending June 30,	Bond Service Payments			Amortization		
	Principal	Interest	Total	Issuance Cost	Refunding Discount	Total
2010	\$ 350,000	\$ 278,160	\$ 628,160	\$ 10,133	\$ 19,189	\$ 29,322
2011	355,000	268,550	623,550	10,133	19,189	29,322
2012	370,000	257,575	627,575	10,133	19,189	29,322
2013	380,000	245,383	625,383	10,133	19,189	29,322
2014	395,000	232,105	627,105	10,133	3,369	13,502
2015-2019	2,205,000	926,587	3,131,587	50,665	16,845	67,510
2020-2024	2,695,000	432,961	3,127,961	50,665	16,845	67,510
2025	610,000	13,420	623,420	-	-	-
Totals	\$ 7,360,000	\$ 2,654,741	\$ 10,014,741	\$ 151,995	\$ 113,815	\$ 265,810

Internal Service Fund Debt

The liability related to compensated absences at June 30, 2009 is summarized below:

	Balances			Balances	Due within
Debt	June 30, 2008	Additions	Retirements	June 30, 2009	one year
Compensated absences	\$ 1,244,152	\$ 101,802	\$ 41,523	\$ 1,304,431	\$ 28,075

NOTE 9 – Fund Equity

A. Designation

Designations are resources designated for future activities associated with special programs. The City intends to use the designated funds for Community Development, Recreation, Police, and Fire projects. These projects include various street and facility maintenance programs, park, open space and library operations, front line law enforcement activities, and safety pension plans

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 9 – Fund Equity

B. Major Fund Budget Variances

General Fund

- Sales tax of \$2,223,083 exceeded budget by \$213,711 and exceeded the prior fiscal year by \$40,149. Management had anticipated that sales tax revenue for the City would decline as a result of the economic downturn. While sales taxes did decline for most cities, and for the county and state, as a whole, Albany received increased revenue, largely due to the performance of the Target store and Ford/Subaru dealer located in the City. Current services charges of \$1,488,595 exceeded budget by \$151,692 and exceeded the prior fiscal year by \$156,467. The increase resulted from a combination of the adjustment of fire inspection and other rates, to affect recovery of the cost of services provided, and a modest increase in demand for services. Other revenue of \$534,577 exceeded budget by \$214,635 and exceeded the prior fiscal year by \$156,526. The principal factor in the increased revenue was reimbursement of costs for firefighters who participated in strike teams to fight wild land fires in Southern California.
- Expenditures of \$5,097,895 for the Police department and \$2,437,339 for the Community Development and Environmental Resources department had budget savings of \$152,989 and \$163,142, respectively. The savings in the Police department mainly resulted from salary and overtime savings. Savings in the Community Development and Environmental Resources department resulted from management salaries and professional services in the Administrative and Parks and Buildings Departments. Expenditures of \$4,193,486 for the Fire and Emergency Medical Services Department exceeded the budget by \$132,959. The excess expenditures resulted mainly from the strike team participation and activities related to temporary relocation costs during renovation of the fire station.
- The transfers out of \$976,612 were above budget by \$726,802. Transfers of \$600,000 were made to the Equipment Replacement Reserve fund in anticipation of replacement of communication equipment to be coordinated with the rehabilitation of the Civic Center, to be completed in fiscal year 2009-10. In addition, transfers were made to the internal service fund for compensated absences reserve. All transfers are detailed in the schedule at Note 11, and all transfers were approved by the City Council.

Other Major Funds

- Civic Center Improvement capital expenditures of \$1,985,281 exceeded the budget by \$225,355 due to additional modifications to the administrative offices and upgrades to the voice and data communication systems.
- All of the General Obligation Bond II fund are to be expended within three years of receipt and are not budgeted by fiscal year. Expenditures in the current fiscal year were \$2,491,852.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 10 – Net Assets

Accounting pronouncement GASB Statement 46 requires state and local governments to disclose the amount of the primary government's net assets at the end of the reporting period that are restricted by enabling legislation. As of June 30, 2009, the government-wide statement of net assets reports \$23,199,176 of restricted net assets, of which \$3,576,622 is restricted by enabling legislation, grantors, and other government agencies. Restricted net assets will be used for the purposes specified by the legislation. The City's restricted net assets represent unspent resources received from grantor agencies, fees imposed to offset future costs, and taxes levied for specific programs.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 11 – Interfund Transactions

Interfund Transfers

The principal purpose of interfund transfers is to match revenue, which is recorded in funds designated for specific purposes, with the expenditures funded by these revenues. Examples are the Emergency Medical Services fees that are used to pay paramedic service expenses recorded in the General Fund, and Lighting and Landscape Assessment fees that are used to pay expenditures in the debt service funds. Interfund transfers are also used to fund insurance reserves and equipment replacement funds.

Fund	Transfers in	Transfers out
MAJOR GOVERNMENTAL FUNDS		
General	\$ 3,285,973	\$ 976,612
General Obligation Bond II	-	20,089
Total major funds	3,285,973	996,701
NON-MAJOR GOVERNMENTAL FUNDS		
Special revenue funds:		
Gas Tax	-	405,423
Pension Property Tax	-	850,000
Streets	50,000	-
Lighting and Landscape Assessment District	-	397,630
Emergency Medical Services	-	1,269,496
Park Bond	20,089	-
	70,089	2,922,549
Debt service funds:		
Debt Service APFFA	462,206	-
	462,206	-
Capital projects funds:		
Fire Equipment	24,000	-
Police Equipment	51,000	-
Emergency Medical Service Equipment	22,500	-
Fire Operations Equipment	24,000	-
Equipment Replacement Reserve	600,000	-
	721,500	-
Total non-major governmental funds	1,253,795	2,922,549
PROPRIETARY FUNDS		
Internal Service Funds:		
Worker's Compensation	39,284	-
General Liability	136,526	-
Compensated Absences	101,802	-
	277,612	-
Enterprise Fund		
Sewer Fund	-	898,130
	-	898,130
Total proprietary funds	277,612	898,130
Total Interfund Transfers	\$ 4,817,380	\$ 4,817,380

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 11 – Interfund Transactions (Continued)

Interfund Balances

The following is a summary of interfund balances as of June 30, 2009:

Fund	Due from Other Funds	Due to Other Funds
MAJOR GOVERNMENTAL FUNDS		
General fund	\$ 721,457	\$ -
General Obligation Bond II	90,963	
Total major funds	812,420	-
NON-MAJOR GOVERNMENTAL FUNDS		
Special revenue funds:		
Community Development Block Grant	-	41,176
Alameda County Measure B	-	49,240
Emergency Medical Services	-	75,523
Park Bond	-	179,571
Paratransit	-	112,535
Transportation for Clean Air Fund	-	28,709
	-	486,754
Capital projects funds:		
Reinvestment	-	5,400
2003 General Obligation Bond	-	90,963
	-	96,363
Debt service funds:		
Reinvestment Debt Service	-	6,952
	-	6,952
Total non-major governmental funds	-	590,069
PROPRIETARY FUNDS		
Internal Service Funds:		
Worker's Compensation	-	222,351
	-	222,351
Total proprietary funds	-	222,351
Total	\$ 812,420	\$ 812,420

Funds are primarily advanced from the General Fund to cover current cash flow requirements. The amounts shown above are expected to be repaid in the following fiscal year.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 11 – Interfund Transactions (Continued)

Advances to and from other funds at June 30, 2009 were as follows:

Fund	Advances to Other Funds	Advances from Other Funds
MAJOR GOVERNMENTAL FUNDS		
General	\$ 686,203	\$ -
Total major governmental funds	686,203	-
NON-MAJOR GOVERNMENTAL FUNDS		
Capital - Reinvestment	-	300,000
Debt Service - Reinvestment	-	386,203
Total non-major governmental funds	-	686,203
Total	\$ 686,203	\$ 686,203

The General Fund advanced certain monies on behalf of the Debt Service – Reinvestment Fund to finance certain costs and expenses, as set forth in the Cooperation Agreement between the City and the Albany Community Reinvestment Agency. Under the terms of the agreement, interest is accrued at rates based on the current Local Agency Investment Fund rate. Any unpaid accrued interest is added to the total obligation on an annual basis. At June 30, 2009, the balance of principal was \$386,203. The total obligation is subordinate to any external debt of the Agency as well as the \$300,000 advance discussed below. The Agency expects to repay the obligation using future incremental tax revenues. There is no fixed due date for repayment.

A \$400,000 advance from the General Fund to the Capital Projects – Reinvestment Fund was made for the specific purpose of providing funds for the development of the Buchanan-Eastshore Highway Interchange project located in the Cleveland Avenue/Eastshore Highway Project Area. This advance is expected to be repaid from property tax increment revenues, in installments of principal plus interest at rates based on the current Local Agency Investment Fund rate. At June 30, 2009, the balance of principal was \$300,000.

NOTE 12 – Albany Police and Fire Relief or Pension Fund

A. Plan Description

The Albany Police and Fire Relief or Pension Fund (“Fund”) is a sole employer defined benefit pension plan for the City of Albany’s police and fire employees hired before July 1, 1971. The Fund is closed to new participants. Participants in the fund are as follows:

Terminated vested participants:	
Retired	13
Disabled	9
Survivor	7
	29

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 12 – Albany Police and Fire Relief or Pension Fund (Continued)

A. Plan Description (Continued)

Employees who retire, regardless of age, with 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two-thirds of the amount of the average yearly compensation attached to the rank he or she held during three years preceding retirement. A member may retire with an early allowance (computed in the same manner as above, but reduced by one-thirtieth for each year of service less than thirty) after attaining age 50 and with 25 years credited service. The Fund also provides death, disability, and survivor benefits. These benefit provisions and all other requirements are established by City Charter.

B. Cash and Investments

Investments are reported at fair value. Certain short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange, are valued at the last reported sales price. Investments that do not have an established market value are reported at estimated fair value. Net gains and losses, includes gains and losses from the sale of investments and unrealized net increases or decreases in market value. The fair value change of the Fund's investment the Local Agency Investment Fund (LAIF) for the year ended June 30, 2009 came to an amount that was not material for presentation in the financial statements.

During fiscal year 2007-08, the Fund's investment policy was modified to allow reallocation of assets. In February 2008, the investments were converted into mutual funds from common stocks, debt instruments, money market funds, and government-related securities. At June 30, 2009, the Fund's investments were held by Dodge & Cox Funds in Stock Fund, Income Fund, and International Stock Fund.

The Fund's Investment Policy and the California Government Code allow the Fund to invest in the following type of investments. Each type of investment is subject to a target allocation and includes maximum and minimum general guidelines as a percentage of the overall portfolio as set forth in the investment policy.

<u>Authorized Investment Type</u>	<u>Target Allocation</u>	<u>Minimum Percentage of Portfolio</u>	<u>Maximum Percentage of Portfolio</u>
Large Cap Equity	40%	30%	50%
International Equity	10%	5%	15%
Fixed Income	50%	40%	60%
Cash	N/A	N/A	5%

As of June 30, 2009, the Fund's allocations met the requirements set by the Fund's policy as described above.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 12 – Albany Police and Fire Relief or Pension Fund (Continued)

B. Cash and Investments (Continued)

The Fund’s assets (except for LAIF) are in the bank’s name, but are held by its Trust Department in a separate account in the Fund’s name. As of June 30, 2009, the Fund held the following securities:

Investment Type	Fair Value	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Local Agency Investment Fund (LAIF)	112,224	112,224	-	-	-
Mutual funds:					
Stock fund	4,351,324	4,351,324	-	-	-
Income fund	4,375,613	4,375,613	-	-	-
International stock fund	1,185,183	1,185,183	-	-	-
Total	\$ 10,024,344	\$ 10,024,344	\$ -	\$ -	\$ -

C. Funding Status and Progress

The actuarial accrued liability presented below was determined as part of an actuarial valuation at September 30, 2008. The entry age actuarial cost method and significant actuarial assumptions were used in determining the actuarial accrued liability and included: (a) a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, and (b) projected inflation rate of 4 percent per year.

The method for determining the actuarial value of assets adjusts market value to recognize, over a five-year period, the differences between assumed and actual investment return. That is, only 20 percent of realized and unrealized gains and losses are recognized in any one-year. These modified asset values are called the Actuarial Book Value.

The actuarial accrued liability and asset for participants at September 30, 2008 (most recent available) is as follows:

Actuarial accrued liability	
Retirees and beneficiaries currently receiving benefits	\$ 12,258,000
Current employees vested	-
Total actuarial accrued liability	<u>12,258,000</u>
Actuarial book value of assets available for benefits	<u>10,939,000</u>
Unfunded liability	<u>\$ (1,319,000)</u>

An actuarial valuation as of June 30, 2009 has been commissioned, but is not available as of the date of publication of this report. In the new actuarial valuation, the projected rate of return on investments will be reduced from 7.5 percent per year to 6.75 percent per year. It is management’s intention to commence contribution to the plan in fiscal year 2009-10, at a rate projected to amortize the unfunded liability over fifteen years.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 12 – Albany Police and Fire Relief or Pension Fund (Continued)

D. Contribution Requirements and Contribution Made

There are no active Plan participants and the plan is closed to new participants. Because the Plan carried an unfunded actuarial liability through June 30, 2003, an employer contribution was made each year, utilizing revenue from the property override tax initiated in 1982 to partially fund pension cost. Following the contribution of \$534,513 made in the fiscal year ended June 30, 2004, the Plan was fully funded and no additional contributions were made from fiscal year 2004-05 through fiscal year 2008-08. Due to the meltdown in the financial market after June 30, 2008, the Fund's investment value has declined significantly. Based on the actuarial valuation performed for the period ended September 30, 2008, the Fund is no longer fully funded. Additional contributions will be required effective next fiscal year. An actuarial valuation of the Plan will be performed as of June 30, 2009, and the fiscal year 2009-10 contribution will be made as projected necessary to amortize the unfunded liability.

As the Plan was fully funded in fiscal year 2003-04 through fiscal year 2007-08, annual pension cost and net pension obligation were not applicable to the Plan for the four following years; thus there is no trend information to be presented for the Plan.

E. Contributions

Annual contributions received by the Plan were as follows:

Fiscal Year	Employee	Employer	Pension Tax Override	Total
1998-1999	\$ 18,451	\$ 18,451	\$ 943,373	\$ 980,275
1999-2000	14,798	14,798	1,046,235	1,075,831
2000-2001	11,175	11,175	1,006,065	1,028,415
2001-2002	7,199	7,199	1,164,678	1,179,076
2002-2003	2,885	2,885	1,251,176	1,256,946
2003-2004	-	-	534,513	534,513
2005-2006	-	-	-	-
2006-2007	-	-	-	-
2007-2008	-	-	-	-

F. Separate stand-alone financial statements for the Police and Fire Relief and Pension Plan can be obtained from the City of Albany administrative offices located at 1000 San Pablo Avenue, Albany, CA 94706.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 13 – PERS Pension Plan

A. Plan Description

The City of Albany contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their website www.calpers.ca.gov or from CalPERS Fiscal Services Division, P.O. Box 942703, Sacramento, California 94229-2703.

B. Funding Policy

Participants are required to contribute 8 percent (9 percent for safety employees) of their annual covered salary. The City's actuarially determined contribution rates for fiscal year 2008-09 were:

City Miscellaneous	10.285%
Safety Police	20.145%
Safety Fire	18.754%
Albany JPA Miscellaneous	10.491%

As discussed in paragraph E of this note, the City's CalPERS plans have been placed in risk pools, and beginning in fiscal year 2005-06 the employer contribution to each of the plans will be based on a combination of a declining percentage of the normal cost of the plan as a stand-alone plan and an increasing percentage of the pools normal cost until fiscal year 2010-11 when the plans will be subject to 100% of the pool's normal cost.

C. Annual Pension

For fiscal 2008-09, the City's annual pension cost of \$2,277,774 for PERS plans was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service age, and type of employment, and (c) 3.25 percent per year payroll growth. Both (a) and (b) included an inflation component of 3.0 percent. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments such that the actuarial value of assets is 80% and 120% of the actual market value. Unfunded actuarial accrued liabilities are being amortized as a level percentage of assumed future payrolls. All changes in liability due to plan amendments are amortized separately over a closed 20-year period. Gains and losses are tracked and amortized over a rolling 30 year period.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 13 – PERS Pension Plan (Continued)

D. Three Year Trend Information – Combined Contributions Made

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	1,826,613	100%	-
6/30/2008	1,992,648	100%	-
6/30/2009	2,277,774	100%	-

E. Risk Pool & Side Funds

As part of a program to smooth the changes in required employer contributions for smaller plans, resulting from changes in actuarial assumptions and short-term experience factors, PERS placed plans of 100 or fewer members into “risk pools.” Funding status for individual pool plan members is not available.

Formation of the risk pools required the establishment of “side funds,” that represent unfunded liabilities, which are to be amortized over periods of 9 to 18 years for the City’s four plans. In June 2009, the City made a lump sum payment of \$1,597,365 toward the side funds for the Safety Police and Fire plans. As of June 30, 2009, the balances of the side funds totaled \$338,532.

F. Social Security

The Omnibus Budget Reconciliation Act of 1990 (OBRA) mandates that public sector employees who are not members of their employer’s existing systems as of January 1, 1992 be covered by either Social Security or an alternative plan.

The City’s Local 790 union members and part-time employees are covered under Social Security, which requires these employees and the City to each contribute 6.2 percent of the employee’s pay to the Social Security Fund. Total contributions to Social Security during the year ended June 30, 2009 were \$206,667, of which the City paid one-half.

The City’s seasonal and temporary employees are covered under an ICMA alternative plan that requires these employees to contribute 7.5 percent of the pay to the plan. Total contributions to the plan during the year ended June 30, 2009 were \$19,286. There is no matching contribution requirement for the City.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 14 – Post-Retirement Benefits

The City does not provide post-retirement benefits to retirees. However, retirees are allowed to remain in the City's health benefit plans after retirement paying for their own health premium. The City's health plans are administered by the California Public Employees Retirement System. The City does not make contributions toward retirees' portion of premium. Under the Public Employee's Medical & Hospital Care Act (PEMHCA), the City is required to pay an employer portion of the health premium. Payments are made to the plan administrator directly each month. It is based on a pay-as-you-go basis. There are 17 retired members in the City's health benefit plans. The employer rates are ranged from \$45.22 to \$75.75. For the year ended June 30, 2009, the City paid \$10,584 for the employer's share. The employer's premium rates are determined by the plan administrator and not expected to increase significantly in the future. Based on past experience, a small number of retirees elect to stay in the City's health plans. Due to the small number of retirees and insignificant contribution to these plans, the City considers it is not cost-effective to perform an actuarial valuation. The disclosure in this note is deemed appropriate to satisfy the requirement of GASB Statement 45.

NOTE 15 – Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, these risk pools exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the board. Obligations and liabilities of these risk pools are the City's responsibility.

A. Risk Pools

The City participates in the BCJPIA general liability risk pool, which in turn participates in the California Affiliated Risk Management Authorities (CARMA) risk pool. Bay Cities Joint Powers (BCJPIA) Insurance Authority covers general liability claims in an amount up to \$1,000,000. The City has a deductible or uninsured liability of up to \$50,000 per claim. Once the City's deductible is met BCJPIA becomes responsible for payments of all claims up to \$1,000,000. CARMA covers claims from \$1,000,000 to \$28,000,000. The City contributed \$130,690 for coverage during the fiscal year ended June 30, 2009.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 15 – Risk Management (Continued)

Condensed audited financial information of BCJPIA at and for the fiscal year ended June 30, 2009 is as follows:

Total assets	\$22,789,374
Total liabilities	14,599,439
Net assets	<u>\$8,189,935</u>
Total revenues	\$10,255,328
Total expenses	10,377,153
Net revenue	<u>(\$121,825)</u>

The City is a participant in the BCJPIA workers compensation risk pool, which in turn participates in the Local Agency Workers Compensation Excess Insurance Joint Powers Authority's (LAWCX) risk pool, and LAWCX in turn purchases coverage above the \$1 million coverage provided by its pool. The City has a self-insured retention of \$150,000 for claims, and the BCJPIA pool covers claims from \$150,000 to \$1,000,000. Claims from \$1,000,000 to \$200,000,000 are covered by LAWCX.

The City's contributions with each risk pool equal the ratio of the City's payroll to the total payrolls of all entities participating in the same layer of each program, in each program year. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2009, the City incurred costs of \$193,763 for coverage premiums and administration of the risk pools.

During the past four fiscal (claims) years, none of the above programs have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Financial statements for BCJPIA and LAWCX may be obtained from Bickmore Risk Services, 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

CITY OF ALBANY

**NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 15 – Risk Management (Continued)

B. Liability for Uninsured Claims

The City estimates its liability for the uninsured portion of claims, including a provision for claims incurred but not reported, based on claims experience. Claims activity for the years ended June 30, 2009 and June 30, 2008 were as follows:

	2009			Fiscal
	Workers' Compensation	General Liability	Total	2008 Total
Claims liabilities, beginning of year	\$ 2,018,067	\$ 187,338	\$ 2,205,405	\$ 2,433,139
Provision for claims losses	271,453	166,000	437,453	217,777
Claim payments	(271,453)	(166,000)	(437,453)	(445,511)
Change of estimates	-	-	-	-
Claims liabilities, end of year	<u>\$ 2,018,067</u>	<u>\$ 187,338</u>	<u>\$ 2,205,405</u>	<u>\$ 2,205,405</u>
Due in one year	\$ 225,000	\$ 42,233	\$ 267,233	\$ 309,526
Due in more than one year	1,793,067	145,105	1,938,172	1,895,879

NOTE 16 – Landfill Postclosure Costs

The City of Albany operated a Class III landfill (construction debris only) in a 36-acre site known as the Albany Bulb, until 1974. In 1999 the California Regional Water Control Board (Board) issued a closure order for this site. On May 16, 2005, the Board issued a finding that the City was in compliance with the closure order and that no further action is required for the site. The City anticipates transferring this site to another governmental entity to be developed for public use. The City has accrued an unfunded liability of \$750,000 for potential costs related to the transfer of the site.

NOTE 17 – Related Party Transaction

In September 2001, per the employment agreement between the City and the City Administrator, the City loaned the City Administrator \$400,000 to be used toward the purchase of her principal residence. The outstanding principal balance of the loan at June 30, 2009 was \$344,052 (Note 4).

NOTE 18 – Commitments and Contingent Liabilities

The City participates in several Federal and State grant programs. These programs have been audited by the City's independent accountants when required, in accordance with the provisions of the Federal Single Audit Act and applicable State requirements. No cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF ALBANY

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 18 – Commitments and Contingent Liabilities (Continued)

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation, which is likely to have a material adverse effect on the financial position of the City.

NOTE 19 – Subsequent Events

A. Settlement

The City filed suit to recover damages for deficient construction performed on the Community Center. The case recently settled with the defendants agreeing to pay the total sum of \$483,999.

B. State of California Financial Crisis

Subsequent to June 30, 2009, the State of California (State) decided to borrow or defer certain revenue payments to local governments, including the City of Albany. The approximate amounts to the City are:

- Property Taxes - 8% \$430,972
- Highway User Tax \$ 26,638
- Reinvestment Agency (ERAF 5%) \$ 20,108

Property Taxes borrowed by the State for fiscal year 2009-2010 were nearly \$2 billion. The State provided a mechanism for securitization by local governments of their receivable from the State, at no cost to the local governments. The City participated in this securitization and will receive payment equal to the amount borrowed in two installments to be paid January 15 and May 3, 2015.

Gas Tax revenue have had payments deferred to the local governments with funds to be released after January 1, 2010.

ERAF funds have been estimated for a two year takeaway by the State. This State action is being litigated by the California Redevelopment Association and other parties, based on the argument that the proposed takeaway is unconstitutional.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

CITY OF ALBANY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive/ (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 4,856,245	\$ 4,886,054	\$ 5,013,913	\$ 127,859
Sales taxes	2,079,598	2,009,372	2,223,083	213,711
Franchise and other taxes	4,031,216	3,760,636	3,887,942	127,306
Licenses and permits	152,000	152,600	172,331	19,731
Fines and forfeitures	235,902	269,000	266,947	(2,053)
Earnings on investments	379,270	291,189	257,455	(33,734)
Revenues from other agencies	154,400	126,564	126,500	(64)
Current services charges	1,326,371	1,336,903	1,488,595	151,692
Other revenue	229,643	319,942	534,577	214,635
Total revenues	13,444,645	13,152,260	13,971,343	819,083
EXPENDITURES				
Current:				
General government	2,349,749	2,301,812	2,299,135	2,677
Police	5,448,916	5,250,884	5,097,895	152,989
Fire and emergency medical services	3,963,622	4,060,527	4,153,412	(92,885)
Community development and environmental resources	2,740,159	2,600,481	2,427,960	172,521
Recreation and community services	1,886,741	1,885,996	1,905,209	(19,213)
Capital outlay	-	-	150,758	(150,758)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	16,389,187	16,099,700	16,034,369	65,331
REVENUES OVER (UNDER) EXPENDITURES	(2,944,542)	(2,947,440)	(2,063,026)	884,414
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers in	3,223,977	3,210,525	3,285,973	75,448
Transfers out	(274,810)	(249,810)	(976,612)	(726,802)
Total other financing sources (uses)	2,949,167	2,960,715	2,309,361	(651,354)
(Deficiency) excess of revenues and other financing sources (under) over expenditures and other financing uses	<u>\$ 4,625</u>	<u>\$ 13,275</u>	246,335	<u>\$ 233,060</u>
Fund balances, beginning of year			4,778,702	
Fund balances, end of year			<u>\$ 5,025,037</u>	

**CITY OF ALBANY
PENSION PLANS
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)**

PERS:

	Valuation Date *	(b) Entry Age Actuarial Accrued Liability	(a) Actuarial Asset Value	(c) Unfunded Liability/ (Excess Assets)	(a)/(b) Funded Ratio	(d) Annual Covered Payroll	(c)/(d) UAAL as a Percentage of Payroll
Safety	6/30/2006	1,473,284,852	1,252,059,468	221,225,384	85%	177,088,890	125%
	6/30/2007	1,648,159,522	1,422,143,105	226,016,417	86%	200,537,256	113%
	6/30/2008	1,755,559,311	1,517,609,609	237,949,702	86%	210,590,567	113%
Miscellaneous	6/30/2006	912,988,585	787,758,909	125,229,676	86%	200,320,145	63%
	6/30/2007	1,315,454,361	1,149,247,298	166,207,063	87%	289,090,187	57%
	6/30/2008	1,537,909,933	1,337,707,835	200,202,098	87%	333,307,600	60%

* The most recent actuarial valuation information is presented here. The City's CalPERS plans were consolidated into risk pools in fiscal year 2003 as part of a program to smooth the changes in required employer contributions for smaller plans. See Note 13 for details.

Albany Police and Fire Relief Pension Plan:

Valuation Date **	(b) Actuarial Accrued Liability	(a) Actuarial Asset Value	(c) Unfunded Liability/ (Excess Assets)	(a)/(b) Funded Ratio	(d) Annual Covered Payroll	(c)/(d) UAAL as a Percentage of Payroll
1992	\$ 14,785,000	\$ 5,477,000	\$ 9,308,000	37%	\$ 440,540	2113%
1993	14,785,000	5,869,000	8,916,000	40%	476,607	1871%
1994	14,785,000	6,272,000	8,513,000	42%	269,989	3153%
1995	14,528,411	7,076,325	7,452,086	49%	230,459	3234%
1998	14,861,531	9,613,552	5,247,979	65%	197,328	2660%
2000	16,020,009	11,452,836	4,567,173	71%	162,826	2805%
2002	15,573,854	13,453,340	2,120,514	86%	79,385	2671%
2003	14,950,360	14,415,847	534,513	96%	32,055	1667%
2006	14,075,219	14,479,158	(403,939)	103%	-	N/A
2008	12,258,000	10,939,000	1,319,000	89%	-	N/A

** The most recent actuarial valuation information is presented here. Because this plan is closed to new participants, the Pension Board adopted a policy in 1996 to perform actuarial valuations periodically, as needed. The 2008 actuarial valuation was performed for the period ended September 30, 2008. No actuarial valuations were performed for the years not listed.

**COMBINING
STATEMENTS**

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NONMAJOR GOVERNMENTAL FUNDS

CITY OF ALBANY

Nonmajor Governmental Funds

Other Special Revenue Funds - accounts for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government.

Other Capital Projects Funds - accounts for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by proprietary funds.

Other Debt Service Funds - accounts for financial resources to be used for payment for City's long-term debt.

Note: Changes in the level of activities in selected funds have required that funds be grouped differently in the current year than they were grouped in the prior year. To provide comparative prior year totals, some funds have been reclassified from the prior year classifications to conform with the current year classifications. Prior year total columns on the accompanying financial statements are not necessary for a fair presentation of the financial statements, but are presented to facilitate financial analysis.

CITY OF ALBANY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Special Revenue Funds *	Capital Projects Funds **	Debt Service Funds ***	Totals	
				2009	2008
ASSETS					
Operating cash and investments	\$ 3,654,395	\$ 10,149,576	\$ 1,568,258	\$ 15,372,229	\$ 18,236,793
Debt service reserves held with trustee	-	-	466,036	466,036	198,145
Receivables:					
Taxes	133,790	-	-	133,790	217,739
Accounts	488,385	927,307	-	1,415,692	763,260
Interest	-	9,944	-	9,944	25,269
Total assets	<u>\$4,276,570</u>	<u>\$11,086,827</u>	<u>\$2,034,294</u>	<u>\$ 17,397,691</u>	<u>\$ 19,441,206</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 114,369	\$ 157,365	\$ 3,488	\$ 275,222	\$ 426,047
Accrued salaries & benefits	13,979	870	-	14,849	14,863
Accrued liabilities	18,263	130,270	-	148,533	468,772
Due to other funds	486,754	96,363	6,952	590,069	359,761
Deferred revenue	66,583	41,108	-	107,691	651,840
Advance from other funds	-	300,000	386,203	686,203	686,203
Total liabilities	<u>699,948</u>	<u>725,976</u>	<u>396,643</u>	<u>1,822,567</u>	<u>2,607,486</u>
Fund balances:					
Reserved	94,038	10,360,851	1,637,651	12,092,540	13,153,944
Unreserved					
Designated	3,482,584	-	-	3,482,584	3,679,776
Unreserved (deficit)	-	-	-	-	-
Total fund balances	<u>3,576,622</u>	<u>10,360,851</u>	<u>1,637,651</u>	<u>15,575,124</u>	<u>16,833,720</u>
Total liabilities and fund balances	<u>\$4,276,570</u>	<u>\$11,086,827</u>	<u>\$2,034,294</u>	<u>\$ 17,397,691</u>	<u>\$ 19,441,206</u>

* See pages D9 - D13 for schedule of funds.
** See pages D32 - D35 for schedule of funds.
*** See page D52 - D53 for schedule of funds.

CITY OF ALBANY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Special Revenue Funds *	Capital Projects Funds **	Debt Service Funds ***	Totals	
				2009	2008
REVENUES					
Property taxes	\$3,924,532	\$ 1,042,720	\$ 1,220,818	\$ 6,188,070	\$ 6,371,673
Franchise and other taxes	57,955	-	-	57,955	55,669
Licenses and permits	471	-	-	471	1,309
Earnings on investments	80,064	136,636	20,877	237,577	558,286
Revenues from other agencies	2,028,683	2,385,613	15,776	4,430,072	1,778,038
Current services charges	639,744	67,662	-	707,406	726,716
Other revenue	40,632	2,023	-	42,655	54,473
Total revenues	<u>6,772,081</u>	<u>3,634,654</u>	<u>1,257,471</u>	<u>11,664,206</u>	<u>9,546,164</u>
EXPENDITURES					
Current:					
General government	5,425	304,935	19,852	330,212	547,923
Police	871,686	177,217	-	1,048,903	325,455
Fire and emergency medical services	754,464	198,032	-	952,496	303,320
Community development and environmental resources	1,131,366	2,006,298	-	3,137,664	1,544,185
Recreation and community services	738,845	-	-	738,845	707,650
Capital outlay	571,377	6,662,848	-	7,234,225	4,331,647
Debt service:					
Principal	-	-	730,000	730,000	540,000
Interest	-	5,400	916,449	921,849	670,707
Total expenditures	<u>4,073,163</u>	<u>9,354,730</u>	<u>1,666,301</u>	<u>15,094,194</u>	<u>8,970,887</u>
REVENUES OVER (UNDER) EXPENDITURES	2,698,918	(5,720,076)	(408,830)	(3,429,988)	575,277
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	3,493,630	346,516	3,840,146	-
Bond premium	-	-	-	-	310,756
Transfers in	70,089	721,500	462,206	1,253,795	1,572,277
Transfers out	(2,922,549)	-	-	(2,922,549)	(2,671,282)
Total other financing sources (uses)	<u>(2,852,460)</u>	<u>4,215,130</u>	<u>808,722</u>	<u>2,171,392</u>	<u>(788,249)</u>
Net change in fund balances	(153,542)	(1,504,946)	399,892	(1,258,596)	(212,972)
Fund balances, beginning of year	3,730,164	11,865,797	1,237,759	16,833,720	17,046,692
Fund balances, end of year	<u>\$3,576,622</u>	<u>\$ 10,360,851</u>	<u>\$ 1,637,651</u>	<u>\$ 15,575,124</u>	<u>\$16,833,720</u>

* See pages D14 - D18 for schedule of funds.
** See pages D36 - D39 for schedule of funds.
*** See page D54 - D55 for schedules of funds.

CITY OF ALBANY

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

JUNE 30, 2009

(With Comparative Reconciliation for June 30, 2008)

	<u>2009</u>	<u>2008</u>
Total Fund Balances - Total Governmental Funds (Page B3)	\$ 28,270,715	\$ 33,546,756
Amounts reported for governmental activities in the statement of net assets are different because:		
Bond premiums associated with the issuance of long-term debt which are deferred and amortized over the period which the debt is outstanding. The premiums are reported as other financing sources of the current period in the governmental funds:		
Civic Center Improvement General Obligation Bonds	(125,029)	(129,481)
2003 General Obligation Bonds II	(165,873)	(171,780)
Deferred charges represent costs associated with the issuance of long-term debt which are deferred and amortized over the period which the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds:		
1997 Refunding COPS	39,611	51,204
2003 General Obligation Bonds	70,955	73,921
Civic Center Improvement General Obligation Bonds	93,767	97,105
2003 General Obligation Bonds II	165,873	171,780
2009 Street Paving & Storm Drain Parcel Tax Note	115,390	-
Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet.		
Nondepreciable	24,182,704	14,552,662
Depreciable	21,679,355	20,074,794
Less accumulated depreciation	(6,115,709)	(6,022,146)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.		
	(366,297)	(380,422)
Long-term liabilities are not due and payable in the current period and, therefore, were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:		
1997 Refunding COPS	(1,195,000)	(1,590,000)
2003 General Obligation Bonds	(7,215,000)	(7,385,000)
Civic Center Improvement General Obligation Bonds	(4,930,000)	(5,000,000)
2003 General Obligation Bonds II	(6,405,000)	(6,500,000)
Parcel Tax Note	(3,465,156)	-
Capital Lease	(374,990)	-
Landfill postclosure cost liability	(750,000)	(750,000)
Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Government-wide Statement of Net Assets.		
	<u>33,057</u>	<u>255,121</u>
Net Assets of Governmental Activities (Page B1)	<u>\$ 43,543,373</u>	<u>\$ 40,894,514</u>

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OTHER SPECIAL REVENUE FUNDS

CITY OF ALBANY

Other Special Revenue Funds

Special Revenue Funds are used to account for revenues derived from specific revenue sources. These funds are required by statute or ordinance to finance particular functions or activities of government. The City's Other Special Revenue Funds and revenue sources are:

Proposition 1B Transportation Fund - accounts for State transportation bond money allocated to the City. The money must be expended for specific street maintenances and transportation projects.

Gas Tax Fund - accounts for revenue received and expended under the State of California, Street and Highways Code Sections 2106, 2107, and 2107.5. These revenues must be expended for street maintenance or construction.

Pension Property Tax – accounts for the property tax override passed by the voters to fund City safety retirement plans contributions.

Community Development Block Grant Fund - accounts for revenues received and expended under the Federal Community Development Act of 1974. The funds are distributed through the Alameda County Housing and Community Development Department to assist low income and disabled people in Albany.

Street Fund - accounts for capital street improvements. Monies are transferred from other funds to pay for expenditures.

Library Operations Fund - accounts for voter approved parcel taxes in support of library operations.

Storm Drain Fund - accounts for revenue and expenditures for programs and activities used to prevent non-point source pollution.

Alameda County Measure B Fund - accounts for the City's share of a one-half cent sales tax which is restricted for transportation purposes.

Waste Management Fund - accounts for monies received from the Alameda County Waste Management Authority. Expenditures are made from this fund on a variety of waste reduction programs to comply with State Legislation AB 939, and for oversight of the City's garbage franchise.

Paratransit Fund - accounts for paratransit transportation services provided to qualified Albany senior residents and to people with disabilities 18 years and over.

Lighting and Landscape Assessment District Fund - accounts for assessments levied on district property and are used for landscape and lighting projects, services and maintenance, and debt service on the 1997 Refunding COPS.

Emergency Medical Services Fund - accounts for revenue received from emergency medical services including ambulance fees and Paramedic Emergency Medical Service and Advanced Life Support assessments. These funds are expended for emergency medical services provided by the City.

Open Space Fund - accounts for the purchase of open space on Albany Hill, through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

CITY OF ALBANY

Other Special Revenue Funds

Recreational Playfields Fund - accounts for the acquisition, development and maintenance of recreational playfields throughout the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

Creek Restoration Fund - accounts for restoration of creeks through the City of Albany Open Space, Recreational Playfield and Creek Restoration Assessment District No. 1996-1.

Park Bond Fund - accounts for monies received for the City's per capita and block grant awards from the Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Acts of 2000 and 2002. These funds are used for rehabilitation and restoration of parks and recreation facilities.

Reinvestment Low-Moderate Housing - accounts for the set-aside requirements for the tax increment revenue received from the redevelopment area.

Law Enforcement Grants - accounts for revenues received under Legislation (AB3229) to fund various front line law enforcement activities.

Poet Laureate - accounts for revenues, donations and expenses associated with the sponsoring of a local poet to write poetry, to express and celebrate the spirit of the community.

Asset Forfeiture - accounts for assets forfeited by someone convicted of drug sales or manufacturing charges. These funds are restricted to law enforcement and/or training related expenses.

Transportation Fund for Clean Air - accounts for expenditures incurred in the joint development of a Climate Action Plan by the Cities of Piedmont and Albany.

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Proposition 1B Transportation Fund	Gas Tax	Pension Property Tax	Community Development Block Grant	Streets
ASSETS					
Operating cash and investments	\$ 528,180	\$ 138,038	\$ 1,057,631	\$ -	\$ 134,346
Receivables:					
Taxes	-	34,024	-	-	-
Accounts		-	-	44,027	-
Total assets	<u>\$ 528,180</u>	<u>\$ 172,062</u>	<u>\$ 1,057,631</u>	<u>\$ 44,027</u>	<u>\$ 134,346</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 869	\$ 787
Accrued salaries & benefits	-	-	-	794	-
Accrued liabilities	-	-	-	1,188	292
Due to other funds	-	-	-	41,176	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,027</u>	<u>1,079</u>
Fund balances:					
Reserved for grants	-	-	-	-	-
Unreserved-designated (Note 9)	528,180	172,062	1,057,631	-	133,267
Total fund balances	<u>528,180</u>	<u>172,062</u>	<u>1,057,631</u>	<u>-</u>	<u>133,267</u>
 Total liabilities and fund balances	<u>\$ 528,180</u>	<u>\$ 172,062</u>	<u>\$ 1,057,631</u>	<u>\$ 44,027</u>	<u>\$ 134,346</u>

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on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Library Operations	Storm Drain	Alameda County Measure B	Waste Management	Paratransit
ASSETS					
Operating cash and investments	\$ 66,183	\$ 294,591	\$ -	\$ 66,698	\$ -
Receivables:					
Taxes	-	-	49,255	-	3,623
Accounts	1,469	1,685	-	14,033	118,574
Total assets	<u>\$ 67,652</u>	<u>\$ 296,276</u>	<u>\$ 49,255</u>	<u>\$ 80,731</u>	<u>\$ 122,197</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,993	\$ 33,731	\$ 15	\$ 4,961	\$ 3,525
Accrued salaries & benefits	-	8,552	-	3,023	449
Accrued liabilities	238	2,004	-	-	-
Due to other funds	-	-	49,240	-	112,535
Deferred revenue	-	-	-	-	-
Total liabilities	<u>2,231</u>	<u>44,287</u>	<u>49,255</u>	<u>7,984</u>	<u>116,509</u>
Fund balances:					
Reserved for grants	-	-	-	50,000	-
Unreserved-designated (Note 9)	65,421	251,989	-	22,747	5,688
Total fund balances	<u>65,421</u>	<u>251,989</u>	<u>-</u>	<u>72,747</u>	<u>5,688</u>
 Total liabilities and fund balances	 <u>\$ 67,652</u>	 <u>\$ 296,276</u>	 <u>\$ 49,255</u>	 <u>\$ 80,731</u>	 <u>\$ 122,197</u>

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Lighting and Landscape Assessment District	Emergency Medical Services	Open Space	Recreational Playfields	Creek Restoration
ASSETS					
Operating cash and investments	\$ 342,859	\$ -	\$ 185,284	\$ 60,330	\$ 183,851
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	76,276	-	-	-
Total assets	<u>\$ 342,859</u>	<u>\$ 76,276</u>	<u>\$ 185,284</u>	<u>\$ 60,330</u>	<u>\$ 183,851</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 26,103	\$ 445	\$ 13,443	\$ -	\$ -
Accrued salaries & benefits	1,161	-	-	-	-
Accrued liabilities	1,446	208	2,120	3,000	-
Due to other funds	-	75,523	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>28,710</u>	<u>76,176</u>	<u>15,563</u>	<u>3,000</u>	<u>-</u>
Fund balances:					
Reserved for grants	-	-	-	-	-
Unreserved-designated (Note 9)	314,149	100	169,721	57,330	183,851
Total fund balances	<u>314,149</u>	<u>100</u>	<u>169,721</u>	<u>57,330</u>	<u>183,851</u>
 Total liabilities and fund balances	<u>\$ 342,859</u>	<u>\$ 76,276</u>	<u>\$ 185,284</u>	<u>\$ 60,330</u>	<u>\$ 183,851</u>

Continued
on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Park Bond	Reinvestment Low-Mod Housing	Law Enforcement Grants	Poet Laureate	Asset Forfeiture
ASSETS					
Operating cash and investments	\$ -	\$ 493,693	\$ 72,535	\$ 750	\$ 29,426
Receivables:					
Taxes	-	-	46,888	-	-
Accounts	195,845	-	-	-	-
Total assets	<u>\$ 195,845</u>	<u>\$ 493,693</u>	<u>\$ 119,423</u>	<u>\$ 750</u>	<u>\$ 29,426</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 28,497	\$ -	\$ -
Accrued salaries & benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to other funds	179,571	-	-	-	-
Deferred revenue	-	-	46,888	-	19,695
Total liabilities	<u>179,571</u>	<u>-</u>	<u>75,385</u>	<u>-</u>	<u>19,695</u>
Fund balances:					
Reserved for grants	-	-	44,038	-	-
Unreserved-designated (Note 9)	16,274	493,693	-	750	9,731
Total fund balances	<u>16,274</u>	<u>493,693</u>	<u>44,038</u>	<u>750</u>	<u>9,731</u>
 Total liabilities and fund balances	 <u>\$ 195,845</u>	 <u>\$ 493,693</u>	 <u>\$ 119,423</u>	 <u>\$ 750</u>	 <u>\$ 29,426</u>

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on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Transportation Fund For Clean Air	Totals	
		2009	2008
ASSETS			
Operating cash and investments	\$ -	\$ 3,654,395	\$ 3,879,241
Receivables:			
Taxes	-	133,790	204,392
Accounts	36,476	488,385	562,620
Total assets	<u>\$ 36,476</u>	<u>\$ 4,276,570</u>	<u>\$ 4,646,253</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 114,369	\$ 65,966
Accrued salaries & benefits	-	13,979	12,216
Accrued liabilities	7,767	18,263	20,986
Due to other funds	28,709	486,754	221,448
Deferred revenue	-	66,583	595,473
Total liabilities	<u>36,476</u>	<u>699,948</u>	<u>916,089</u>
Fund balances:			
Reserved for grants	-	94,038	50,388
Unreserved-designated (Note 9)	-	3,482,584	3,679,776
Total fund balances	<u>-</u>	<u>3,576,622</u>	<u>3,730,164</u>
 Total liabilities and fund balances	 <u>\$ 36,476</u>	 <u>\$ 4,276,570</u>	 <u>\$ 4,646,253</u>

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Proposition 1B Transportation Fund *	Gas Tax *	Pension Property Tax **	Community Development Block Grant **	Streets ***
REVENUES					
Property taxes	\$ -	\$ -	\$ 1,836,577	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	8,344	4,977	28,231	-	2,893
Revenues from other agencies	522,124	395,420	23,734	62,159	-
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	530,468	400,397	1,888,542	62,159	2,893
EXPENDITURES					
General government	246	-	5,179	-	-
Police	-	-	847,604	-	-
Fire and emergency medical services	-	-	749,761	-	-
Community development and environmental resources	2,042	-	-	5,000	9,790
Recreation and community services	-	-	-	14,416	-
Capital outlay	-	2,975	-	42,743	-
Total expenditures	2,288	2,975	1,602,544	62,159	9,790
Excess of revenues over (under) expenditures	528,180	397,422	285,998	-	(6,897)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	50,000
Transfers out	-	(405,423)	(850,000)	-	-
Total other financing sources (uses)	-	(405,423)	(850,000)	-	50,000
Net change in fund balances	528,180	(8,001)	(564,002)	-	43,103
Fund balances, beginning of year	-	180,063	1,621,633	-	90,164
Fund balances, end of year	\$ 528,180	\$ 172,062	\$ 1,057,631	\$ -	\$ 133,267

* See page D19 for budget comparisons.
** See page D20 for budget comparisons.
*** See page D21 for budget comparisons.

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on next page

CITY OF ALBANY

OTHER SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Library Operations *	Storm Drain **	Alameda County Measure B **	Waste Management ***	Paratransit ***
REVENUES					
Property taxes	\$ 613,525	\$ 264,592	\$ -	\$ -	\$ -
Franchise and other taxes	-	57,955	-	-	-
License and permits	-	471	-	-	-
Earnings on investments	1,586	5,496	1,229	1,606	111
Revenues from other agencies	-	-	338,508	124,728	143,469
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	524
Total revenues	<u>615,111</u>	<u>328,514</u>	<u>339,737</u>	<u>126,334</u>	<u>144,104</u>
EXPENDITURES					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	-	370,392	299,905	130,257	-
Recreation and community services	661,507	-	-	-	29,923
Capital outlay	-	22,400	75,563	-	117,774
Total expenditures	<u>661,507</u>	<u>392,792</u>	<u>375,468</u>	<u>130,257</u>	<u>147,697</u>
Excess of revenues over (under) expenditures	<u>(46,396)</u>	<u>(64,278)</u>	<u>(35,731)</u>	<u>(3,923)</u>	<u>(3,593)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(46,396)	(64,278)	(35,731)	(3,923)	(3,593)
Fund balances, beginning of year	111,817	316,267	35,731	76,670	9,281
Fund balances, end of year	<u>\$ 65,421</u>	<u>\$ 251,989</u>	<u>\$ -</u>	<u>\$ 72,747</u>	<u>\$ 5,688</u>

* See page D21 for budget comparisons.

** See page D22 for budget comparisons.

*** See page D23 for budget comparisons.

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CITY OF ALBANY

OTHER SPECIAL REVENUE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Lighting and Landscape Assessment District *	Emergency Medical Services *	Open Space **	Recreational Playfields **	Creek Restoration ***
REVENUES					
Property taxes	\$ 488,065	\$ 634,555	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	3,605	-	3,916	1,630	3,517
Revenues from other agencies	-	-	-	-	-
Current service charges	-	639,744	-	-	-
Other revenue	11,258	-	10,346	5,173	5,173
Total revenues	502,928	1,274,299	14,262	6,803	8,690
EXPENDITURES					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	4,703	-	-	-
Community development and environmental resources	263,754	-	-	-	-
Recreation and community services	-	-	29,999	3,000	-
Capital outlay	20,891	-	-	16,708	-
Total expenditures	284,645	4,703	29,999	19,708	-
Excess of revenues over (under) expenditures	218,283	1,269,596	(15,737)	(12,905)	8,690
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(397,630)	(1,269,496)	-	-	-
Total other financing sources (uses)	(397,630)	(1,269,496)	-	-	-
Net change in fund balances	(179,347)	100	(15,737)	(12,905)	8,690
Fund balances, beginning of year	493,496	-	185,458	70,235	175,161
Fund balances, end of year	\$ 314,149	\$ 100	\$ 169,721	\$ 57,330	\$ 183,851

* See page D24 for budget comparisons.

** See page D25 for budget comparisons.

*** See page D26 for budget comparisons.

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Park Bond *	Reinvestment Low-Mod Housing **	Law Enforcement Grants **	Poet Laureate ***	Asset Forfeiture ***
REVENUES					
Property taxes	\$ -	\$ 87,218	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-
License and permits	-	-	-	-	-
Earnings on investments	30	8,982	3,911	-	-
Revenues from other agencies	129,501	-	238,814	-	-
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	8,158
Total revenues	129,531	96,200	242,725	-	8,158
EXPENDITURES					
General government	-	-	-	-	-
Police	-	-	24,082	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Capital outlay	97,330	-	174,993	-	-
Total expenditures	97,330	-	199,075	-	-
Excess of revenues over (under) expenditures	32,201	96,200	43,650	-	8,158
OTHER FINANCING SOURCES (USES)					
Transfers in	20,089	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	20,089	-	-	-	-
Net change in fund balances	52,290	96,200	43,650	-	8,158
Fund balances, beginning of year	(36,016)	397,493	388	750	1,573
Fund balances, end of year	\$ 16,274	\$ 493,693	\$ 44,038	\$ 750	\$ 9,731

* See page D26 for budget comparisons.

** See page D27 for budget comparisons.

*** See page D28 for budget comparisons.

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on next page

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Transportation Fund For Clean Air *	<u>Totals</u>	
		2009	2008
REVENUES			
Property taxes	\$ -	\$ 3,924,532	\$ 4,041,824
Franchise and other taxes	-	57,955	55,669
License and permits	-	471	1,309
Earnings on investments	-	80,064	119,015
Revenues from other agencies	50,226	2,028,683	1,139,685
Current service charges	-	639,744	499,925
Other revenue	-	40,632	53,408
Total revenues	50,226	<u>6,772,081</u>	<u>5,910,835</u>
EXPENDITURES			
General government	-	5,425	5,343
Police	-	871,686	26,474
Fire and emergency medical services	-	754,464	2,096
Community development and environmental resources	50,226	1,131,366	1,013,722
Recreation and community services	-	738,845	707,650
Capital outlay	-	571,377	418,978
Total expenditures	50,226	<u>4,073,163</u>	<u>2,174,263</u>
Excess of revenues over (under) expenditures	-	<u>2,698,918</u>	<u>3,736,572</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	70,089	43,322
Transfers out	-	<u>(2,922,549)</u>	<u>(2,671,005)</u>
Total other financing sources (uses)	-	<u>(2,852,460)</u>	<u>(2,627,683)</u>
Net change in fund balances	-	(153,542)	1,108,889
Fund balances, beginning of year	-	3,730,164	2,621,275
Fund balances, end of year	\$ -	<u>\$ 3,576,622</u>	<u>\$ 3,730,164</u>

* See page D29 for budget comparisons.

CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Proposition 1B Transportation Fund			Gas Tax		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	-	8,344	8,344	6,364	4,977	(1,387)
Revenues from other agencies	-	522,124	522,124	462,881	395,420	(67,461)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	530,468	530,468	469,245	400,397	(68,848)
EXPENDITURES						
General government	-	246	(246)	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	2,042	(2,042)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	12,240	2,975	9,265
Total expenditures	-	2,288	(2,288)	12,240	2,975	9,265
Excess of revenues over (under) expenditures	-	528,180	528,180	457,005	397,422	(59,583)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(405,423)	(405,423)	-
Total other financing sources (uses)	-	-	-	(405,423)	(405,423)	-
Net change in fund balances	\$ -	528,180	\$ 528,180	\$ 51,582	(8,001)	\$ (59,583)
Fund balances, beginning of year		-			180,063	
Fund balances, end of year		\$ 528,180			\$ 172,062	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Pension Property Tax			Community Development Block Grant		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 1,777,236	\$ 1,836,577	\$ 59,341	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	28,482	28,231	(251)	-	-	-
Revenues from other agencies	24,000	23,734	(266)	168,117	62,159	(105,958)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>1,829,718</u>	<u>1,888,542</u>	<u>58,824</u>	<u>168,117</u>	<u>62,159</u>	<u>(105,958)</u>
EXPENDITURES						
General government	5,500	5,179	321	-	-	-
Police	900,000	847,604	52,396	-	-	-
Fire and emergency medical services	800,000	749,761	50,239	-	-	-
Community development and environmental resources	-	-	-	6,473	5,000	1,473
Recreation and community services	-	-	-	16,308	14,416	1,892
Capital outlay	-	-	-	145,273	42,743	102,530
Total expenditures	<u>1,705,500</u>	<u>1,602,544</u>	<u>102,956</u>	<u>168,054</u>	<u>62,159</u>	<u>105,895</u>
Excess of revenues over (under) expenditures	<u>124,218</u>	<u>285,998</u>	<u>161,780</u>	<u>63</u>	<u>-</u>	<u>(63)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(850,000)	(850,000)	-	-	-	-
Total other financing sources (uses)	<u>(850,000)</u>	<u>(850,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (725,782)</u>	<u>(564,002)</u>	<u>\$ 161,780</u>	<u>\$ 63</u>	<u>-</u>	<u>\$ (63)</u>
Fund balances, beginning of year		<u>1,621,633</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 1,057,631</u>			<u>\$ -</u>	

Continued
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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Streets			Library Operations		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 659,714	\$ 613,525	\$ (46,189)
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	3,145	2,893	(252)	3,397	1,586	(1,811)
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>3,145</u>	<u>2,893</u>	<u>(252)</u>	<u>663,111</u>	<u>615,111</u>	<u>(48,000)</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	9,790	(9,790)	-	-	-
Recreation and community services	-	-	-	659,714	661,507	(1,793)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>9,790</u>	<u>(9,790)</u>	<u>659,714</u>	<u>661,507</u>	<u>(1,793)</u>
Excess of revenues over (under) expenditures	<u>3,145</u>	<u>(6,897)</u>	<u>(10,042)</u>	<u>3,397</u>	<u>(46,396)</u>	<u>(49,793)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	50,000	50,000	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 53,145</u>	<u>43,103</u>	<u>\$ (10,042)</u>	<u>\$ 3,397</u>	<u>(46,396)</u>	<u>\$ (49,793)</u>
Fund balances, beginning of year		<u>90,164</u>			<u>111,817</u>	
Fund balances, end of year		<u>\$ 133,267</u>			<u>\$ 65,421</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Storm Drain			Alameda County Measure B		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 285,361	\$ 264,592	\$ (20,769)	\$ -	\$ -	\$ -
Franchise and other taxes	54,540	57,955	3,415	-	-	-
License and permits	-	471	471	-	-	-
Earnings on investments	-	5,496	5,496	2,358	1,229	(1,129)
Revenues from other agencies	-	-	-	694,846	338,508	(356,338)
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>339,901</u>	<u>328,514</u>	<u>(11,387)</u>	<u>697,204</u>	<u>339,737</u>	<u>(357,467)</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	360,873	370,392	(9,519)	300,000	299,905	95
Recreation and community services	-	-	-	-	-	-
Capital outlay	10,000	22,400	(12,400)	306,000	75,563	230,437
Total expenditures	<u>370,873</u>	<u>392,792</u>	<u>(21,919)</u>	<u>606,000</u>	<u>375,468</u>	<u>230,532</u>
Excess of revenues over (under) expenditures	<u>(30,972)</u>	<u>(64,278)</u>	<u>(33,306)</u>	<u>91,204</u>	<u>(35,731)</u>	<u>(126,935)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (30,972)</u>	<u>(64,278)</u>	<u>\$ (33,306)</u>	<u>\$ 91,204</u>	<u>(35,731)</u>	<u>\$ (126,935)</u>
Fund balances, beginning of year		<u>316,267</u>			<u>35,731</u>	
Fund balances, end of year		<u>\$ 251,989</u>			<u>\$ -</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Waste Management			Paratransit		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	3,064	1,606	(1,458)	878	111	(767)
Revenues from other agencies	102,000	124,728	22,728	27,969	143,469	115,500
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	1,000	524	(476)
Total revenues	<u>105,064</u>	<u>126,334</u>	<u>21,270</u>	<u>29,847</u>	<u>144,104</u>	<u>114,257</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	99,491	130,257	(30,766)	-	-	-
Recreation and community services	-	-	-	32,510	29,923	2,587
Capital outlay	25,000	-	25,000	-	117,774	(117,774)
Total expenditures	<u>124,491</u>	<u>130,257</u>	<u>(5,766)</u>	<u>32,510</u>	<u>147,697</u>	<u>(115,187)</u>
Excess of revenues over (under) expenditures	<u>(19,427)</u>	<u>(3,923)</u>	<u>15,504</u>	<u>(2,663)</u>	<u>(3,593)</u>	<u>(930)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (19,427)</u>	<u>(3,923)</u>	<u>\$ 15,504</u>	<u>\$ (2,663)</u>	<u>(3,593)</u>	<u>\$ (930)</u>
Fund balances, beginning of year		<u>76,670</u>			<u>9,281</u>	
Fund balances, end of year		<u>\$ 72,747</u>			<u>\$ 5,688</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Lighting and Landscape Assessment District			Emergency Medical Services		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 536,630	\$ 488,065	\$ (48,565)	\$ 655,000	\$ 634,555	\$ (20,445)
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	17,961	3,605	(14,356)	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	552,500	639,744	87,244
Other revenue	-	11,258	11,258	-	-	-
Total revenues	<u>554,591</u>	<u>502,928</u>	<u>(51,663)</u>	<u>1,207,500</u>	<u>1,274,299</u>	<u>66,799</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	4,703	(4,703)
Community development and environmental resources	330,309	263,754	66,555	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	150,000	20,891	129,109	-	-	-
Total expenditures	<u>480,309</u>	<u>284,645</u>	<u>195,664</u>	<u>-</u>	<u>4,703</u>	<u>(4,703)</u>
Excess of revenues over (under) expenditures	<u>74,282</u>	<u>218,283</u>	<u>144,001</u>	<u>1,207,500</u>	<u>1,269,596</u>	<u>62,096</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(397,630)	(397,630)	-	(1,207,500)	(1,269,496)	(61,996)
Total other financing sources (uses)	<u>(397,630)</u>	<u>(397,630)</u>	<u>-</u>	<u>(1,207,500)</u>	<u>(1,269,496)</u>	<u>(61,996)</u>
Net change in fund balances	<u>\$ (323,348)</u>	<u>(179,347)</u>	<u>\$ 144,001</u>	<u>\$ -</u>	<u>100</u>	<u>\$ 100</u>
Fund balances, beginning of year		<u>493,496</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 314,149</u>			<u>\$ 100</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Open Space			Recreational Playfields		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	5,287	3,916	(1,371)	1,640	1,630	(10)
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	9,934	10,346	412	4,967	5,173	206
Total revenues	<u>15,221</u>	<u>14,262</u>	<u>(959)</u>	<u>6,607</u>	<u>6,803</u>	<u>196</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	10,000	29,999	(19,999)	-	3,000	(3,000)
Capital outlay	-	-	-	-	16,708	(16,708)
Total expenditures	<u>10,000</u>	<u>29,999</u>	<u>(19,999)</u>	<u>-</u>	<u>19,708</u>	<u>(19,708)</u>
Excess of revenues over (under) expenditures	<u>5,221</u>	<u>(15,737)</u>	<u>(20,958)</u>	<u>6,607</u>	<u>(12,905)</u>	<u>(19,512)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 5,221</u>	<u>(15,737)</u>	<u>\$ (20,958)</u>	<u>\$ 6,607</u>	<u>(12,905)</u>	<u>\$ (19,512)</u>
Fund balances, beginning of year		<u>185,458</u>			<u>70,235</u>	
Fund balances, end of year		<u>\$ 169,721</u>			<u>\$ 57,330</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Creek Restoration			Park Bond		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	4,812	3,517	(1,295)	-	30	30
Revenues from other agencies	-	-	-	49,126	129,501	80,375
Current service charges	-	-	-	-	-	-
Other revenue	4,967	5,173	206	-	-	-
Total revenues	<u>9,779</u>	<u>8,690</u>	<u>(1,089)</u>	<u>49,126</u>	<u>129,531</u>	<u>80,405</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	5,000	-	5,000	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	49,126	97,330	(48,204)
Total expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>49,126</u>	<u>97,330</u>	<u>(48,204)</u>
Excess of revenues over (under) expenditures	<u>4,779</u>	<u>8,690</u>	<u>3,911</u>	<u>-</u>	<u>32,201</u>	<u>32,201</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	20,089	20,089
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,089</u>	<u>20,089</u>
Net change in fund balances	<u>\$ 4,779</u>	<u>8,690</u>	<u>\$ 3,911</u>	<u>\$ -</u>	<u>52,290</u>	<u>\$ 52,290</u>
Fund balances, beginning of year		<u>175,161</u>			<u>(36,016)</u>	
Fund balances, end of year		<u>\$ 183,851</u>			<u>\$ 16,274</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Reinvestment Low-Mod Housing			Law Enforcement Grants		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 85,311	\$ 87,218	\$ 1,907	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	10,468	8,982	(1,486)	3,000	3,911	911
Revenues from other agencies	-	-	-	-	238,814	238,814
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>95,779</u>	<u>96,200</u>	<u>421</u>	<u>3,000</u>	<u>242,725</u>	<u>239,725</u>
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	24,082	(24,082)
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	174,993	(174,993)
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,075</u>	<u>(199,075)</u>
Excess of revenues over (under) expenditures	<u>95,779</u>	<u>96,200</u>	<u>421</u>	<u>3,000</u>	<u>43,650</u>	<u>40,650</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 95,779</u>	<u>96,200</u>	<u>\$ 421</u>	<u>\$ 3,000</u>	<u>43,650</u>	<u>\$ 40,650</u>
Fund balances, beginning of year		<u>397,493</u>			<u>388</u>	
Fund balances, end of year		<u>\$ 493,693</u>			<u>\$ 44,038</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Poet Laureate			Asset Forfeiture		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise and other taxes	-	-	-	-	-	-
License and permits	-	-	-	-	-	-
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	8,158	8,158
Total revenues	-	-	-	-	8,158	8,158
EXPENDITURES						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess of revenues over (under) expenditures	-	-	-	-	8,158	8,158
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	8,158	<u>\$ 8,158</u>
Fund balances, beginning of year		<u>750</u>			<u>1,573</u>	
Fund balances, end of year		<u>\$ 750</u>			<u>\$ 9,731</u>	

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CITY OF ALBANY
OTHER SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Transportation Fund for Clean Air			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 3,999,252	\$ 3,924,532	\$ (74,720)
Franchise and other taxes	-	-	-	54,540	57,955	3,415
License and permits	-	-	-	-	471	471
Earnings on investments	-	-	-	90,856	80,064	(10,792)
Revenues from other agencies	-	50,226	50,226	1,528,939	2,028,683	499,744
Current service charges	-	-	-	552,500	639,744	87,244
Other revenue	-	-	-	20,868	40,632	19,764
Total revenues	-	50,226	50,226	6,246,955	6,772,081	525,126
EXPENDITURES						
General government	-	-	-	5,500	5,425	75
Police	-	-	-	900,000	871,686	28,314
Fire and emergency medical services	-	-	-	800,000	754,464	45,536
Community development and environmental resources	-	50,226	(50,226)	1,102,146	1,131,366	(29,220)
Recreation and community services	-	-	-	718,532	738,845	(20,313)
Capital outlay	-	-	-	697,639	571,377	126,262
Total expenditures	-	50,226	(50,226)	4,223,817	4,073,163	150,654
Excess of revenues over (under) expenditures	-	-	-	2,023,138	2,698,918	675,780
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	50,000	70,089	20,089
Transfers out	-	-	-	(2,860,553)	(2,922,549)	(61,996)
Total other financing sources (uses)	-	-	-	(2,810,553)	(2,852,460)	(41,907)
Net change in fund balances	\$ -	-	\$ -	\$ (787,415)	(153,542)	\$ 633,873
Fund balances, beginning of year		-			3,730,164	
Fund balances, end of year		\$ -			\$ 3,576,622	

OTHER CAPITAL PROJECTS FUNDS

CITY OF ALBANY

Other Capital Project Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment other than those financed by proprietary funds. The City's Other Capital Projects Funds are:

Fire Equipment Reserve Fund - is used to accumulate resources for replacement of fire engines and equipment.

Police Equipment Reserve Fund - is used to accumulate resources for replacement of police vehicles and equipment.

Emergency Medical Service Equipment Reserve Fund - is used to accumulate resources for replacement of emergency medical service equipment.

Fire Operations Equipment Reserve Fund - is used to accumulate resources for replacement of fire operations equipment.

Capital Facilities Developer Fee - is used to account for a fee on new developments, to assist in paying for capital improvements in the community. The fee is based on the City's anticipated capital improvement requirements and the proportion of the cost of these improvements attributable to the new developments.

Capital Facilities Reserve Fund - is used to accumulate resources for future construction of the maintenance center and other facilities as determined by the City Council.

Street & Storm Funds – are used to record property tax revenues, debt proceeds and expenditures for various street and storm drain projects.

Reinvestment Fund - is used to account for activities of the Albany Community Reinvestment Agency.

Waterfront Plan - is used to account for activities related to Albany waterfront on San Pablo Bay.

Equipment Replacement Reserve Fund - is used to accumulate resources for replacement of equipment not provided in other capital projects funds.

R & CS Reserve Fund (Recreation & Community Services) - is used to accumulate resources for the replacement of equipment and furniture, and for maintenance and repair of the Community Center building.

Capital Projects Fund - is used to account for major capital projects not provided for in one of the other capital projects funds.

1996-1 Assessment District Bond Fund – is used to pay for the acquisition, development and maintenance of open space on Albany Hill; the acquisition, development and maintenance of recreational playfields; and the activities relating to creek restoration, as part of the Open Space, Recreational Playfields and Creek Restoration Assessment District No.1996-1.

Public Arts Fund – is used to account for a fee of 1.75% of construction cost assessed on certain building permits, as an in-lieu fee in place of the inclusion of a public art feature in new public construction. The use of fees collected is restricted to the promotion of public art.

CITY OF ALBANY

Other Capital Project Funds

General Obligation Bond 2003 - is used to account for the General Obligation Bond, Series 2003, issued to finance the repair and improvement of recreational facilities; structural improvements to the fire department, police department and city hall buildings; residential street improvements; bike path improvements, construction and safety lighting; create and improve new and existing parks; and resurface city streets.

Note: Changes in the level of activities in selected funds have required that funds be grouped differently in the current year than they were grouped in the prior year. To provide comparative prior year totals, some funds have been reclassified from the prior year classifications to conform with the current year classifications. Prior year total columns on the accompanying financial statements are not necessary for a fair presentation of the financial statements, but are presented to facilitate financial analysis.

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Fire Equipment Reserve	Police Equipment Reserve	Emergency Medical Service Equipment	Fire Operations Equipment	Capital Facilities Developer Fee
ASSETS					
Operating cash and investments	\$ 109,195	\$ 270,668	\$ 85,147	\$ 52,587	\$ 183,408
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Total assets	<u>\$ 109,195</u>	<u>\$ 270,668</u>	<u>\$ 85,147</u>	<u>\$ 52,587</u>	<u>\$ 183,408</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 48,738	\$ -	\$ -	\$ -	\$ -
Accrued salaries & benefits	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Total liabilities	<u>48,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Reserved for capital projects	60,457	270,668	85,147	52,587	183,408
Unreserved (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>60,457</u>	<u>270,668</u>	<u>85,147</u>	<u>52,587</u>	<u>183,408</u>
Total liabilities and fund balances	<u>\$ 109,195</u>	<u>\$ 270,668</u>	<u>\$ 85,147</u>	<u>\$ 52,587</u>	<u>\$ 183,408</u>

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CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Capital Facilities Reserve	Street & Storm Funds	Reinvestment	Waterfront Plan	Equipment Replacement Reserve
ASSETS					
Operating cash and investments	\$ 1,015,136	\$ 2,901,146	\$ 572,413	\$ 176,400	\$ 1,185,948
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	108,734	-	-
Interest	-	-	-	-	-
Total assets	<u>\$ 1,015,136</u>	<u>\$ 2,901,146</u>	<u>\$ 681,147</u>	<u>\$ 176,400</u>	<u>\$ 1,185,948</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 4,617	\$ 12,012	\$ 52,181	\$ -
Accrued salaries & benefits	-	-	670	200	-
Accrued liabilities	-	35,658	44,869	-	-
Due to other funds	-	-	5,400	-	-
Deferred revenue	-	-	35,782	-	-
Advance from other funds	-	-	300,000	-	-
Total liabilities	<u>-</u>	<u>40,275</u>	<u>398,733</u>	<u>52,381</u>	<u>-</u>
Fund balances:					
Reserved for capital projects	1,015,136	2,860,871	282,414	124,019	1,185,948
Unreserved (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>1,015,136</u>	<u>2,860,871</u>	<u>282,414</u>	<u>124,019</u>	<u>1,185,948</u>
Total liabilities and fund balances	<u>\$ 1,015,136</u>	<u>\$ 2,901,146</u>	<u>\$ 681,147</u>	<u>\$ 176,400</u>	<u>\$ 1,185,948</u>

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on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	R & CS Reserve	Capital Projects Fund	1996-1 Assessment District Bond Fund	Public Art Fee
ASSETS				
Operating cash and investments	\$ 170,005	\$ 612,320	\$ 2,803,648	\$ 11,555
Receivables:				
Taxes				
Accounts	-	644,745	18,478	-
Interest	-	-	9,944	-
Total assets	<u>\$ 170,005</u>	<u>\$ 1,257,065</u>	<u>\$ 2,832,070</u>	<u>\$ 11,555</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 12,605	\$ 1,056	\$ -
Accrued salaries & benefits	-	-	-	-
Accrued liabilities	-	10,563	949	-
Due to other funds	-	-	-	-
Deferred revenue	5,326	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	<u>5,326</u>	<u>23,168</u>	<u>2,005</u>	<u>-</u>
Fund balances:				
Reserved for capital projects	164,679	1,233,897	2,830,065	11,555
Unreserved (deficit)	-	-	-	-
Total fund balances (deficit)	<u>164,679</u>	<u>1,233,897</u>	<u>2,830,065</u>	<u>11,555</u>
Total liabilities and fund balances	<u>\$ 170,005</u>	<u>\$ 1,257,065</u>	<u>\$ 2,832,070</u>	<u>\$ 11,555</u>

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	General Obligation Bond 2003	Totals	
		2009	2008
ASSETS			
Operating cash and investments	\$ -	\$ 10,149,576	\$ 12,917,739
Receivables:			
Taxes	-	-	4,128
Accounts	155,350	927,307	200,640
Interest	-	9,944	22,174
Total assets	\$ 155,350	\$ 11,086,827	\$ 13,144,681
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 26,156	\$ 157,365	\$ 358,689
Accrued salaries & benefits	-	870	2,647
Accrued liabilities	38,231	130,270	447,786
Due to other funds	90,963	96,363	113,395
Deferred revenue	-	41,108	56,367
Advance from other funds	-	300,000	300,000
Total liabilities	155,350	725,976	1,278,884
Fund balances:			
Reserved for capital projects	-	10,360,851	11,865,797
Unreserved (deficit)	-	-	-
Total fund balances (deficit)	-	10,360,851	11,865,797
Total liabilities and fund balances	\$ 155,350	\$ 11,086,827	\$ 13,144,681

CITY OF ALBANY

OTHER CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Fire Equipment Reserve *	Police Equipment Reserve *	Emergency Medical Service Equipment **	Fire Operations Equipment **	Capital Facilities Developer Fee ***
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	7,401
Revenues from other agencies	26,620	21,597	-	-	-
Current service charges	-	-	-	-	8,159
Other revenue	-	-	-	-	-
Total revenues	<u>26,620</u>	<u>21,597</u>	<u>-</u>	<u>-</u>	<u>15,560</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	20,815	-
Community development and environmental resources	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Capital outlay	632,224	30,168	29,146	-	164,497
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>632,224</u>	<u>30,168</u>	<u>29,146</u>	<u>20,815</u>	<u>164,497</u>
Excess of revenues over (under) expenditures	<u>(605,604)</u>	<u>(8,571)</u>	<u>(29,146)</u>	<u>(20,815)</u>	<u>(148,937)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	374,990	-	-	-	-
Transfers in	24,000	51,000	22,500	24,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>398,990</u>	<u>51,000</u>	<u>22,500</u>	<u>24,000</u>	<u>-</u>
Net change in fund balances	(206,614)	42,429	(6,646)	3,185	(148,937)
Fund balances, beginning of year	267,071	228,239	91,793	49,402	332,345
Fund balances, end of year	<u>\$ 60,457</u>	<u>\$ 270,668</u>	<u>\$ 85,147</u>	<u>\$ 52,587</u>	<u>\$ 183,408</u>

* See page D40 for budget comparisons.

** See page D41 for budget comparisons.

*** See page D42 for budget comparisons.

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CITY OF ALBANY

OTHER CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Capital Facilities Reserve *	Street & Storm Funds **	Reinvestment **	Waterfront Plan ***	Equipment Replacement Reserve ***
REVENUES					
Property taxes	\$ -	\$ 752,505	\$ 290,215	\$ -	\$ -
Earnings on investments	19,055	12,563	11,598	-	-
Revenues from other agencies	-	-	-	-	-
Current service charges	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>19,055</u>	<u>765,068</u>	<u>301,813</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	-	116,360	-	-	-
Police	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-
Community development and environmental resources	6,600	47,645	201,409	422,985	-
Recreation and community services	-	-	-	-	-
Capital outlay	-	2,006,386	-	-	27,250
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	5,400	-	-
Total expenditures	<u>6,600</u>	<u>2,170,391</u>	<u>206,809</u>	<u>422,985</u>	<u>27,250</u>
Excess of revenues over (under) expenditures	<u>12,455</u>	<u>(1,405,323)</u>	<u>95,004</u>	<u>(422,985)</u>	<u>(27,250)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	3,118,640	-	-	-
Transfers in	-	-	-	-	600,000
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,118,640</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Net change in fund balances	12,455	1,713,317	95,004	(422,985)	572,750
Fund balances, beginning of year	1,002,681	1,147,554	187,410	547,004	613,198
Fund balances, end of year	<u>\$ 1,015,136</u>	<u>\$ 2,860,871</u>	<u>\$ 282,414</u>	<u>\$ 124,019</u>	<u>\$ 1,185,948</u>

* See page D42 for budget comparisons.

** See page D43 for budget comparisons.

*** See page D44 for budget comparisons.

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CITY OF ALBANY

OTHER CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	R & CS Reserve *	Capital Projects Fund *	1996-1 Assessment District Bond Fund **	Public Art Fee **	General Obligation Bond 2003 ***
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	59,513	-	26,506
Revenues from other agencies	-	2,155,968	26,078	-	155,350
Current service charges	47,948	-	-	11,555	-
Other revenue	23	2,000	-	-	-
Total revenues	<u>47,971</u>	<u>2,157,968</u>	<u>85,591</u>	<u>11,555</u>	<u>181,856</u>
EXPENDITURES					
Current:					
General government	-	188,575	-	-	-
Police	-	177,217	-	-	-
Fire and emergency medical services	-	177,217	-	-	-
Community development and environmental resources	-	191,277	30,982	-	1,105,400
Recreation and community services	-	-	-	-	-
Capital outlay	-	1,854,746	22,321	-	1,896,110
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>2,589,032</u>	<u>53,303</u>	<u>-</u>	<u>3,001,510</u>
Excess of revenues over (under) expenditures	<u>47,971</u>	<u>(431,064)</u>	<u>32,288</u>	<u>11,555</u>	<u>(2,819,654)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	47,971	(431,064)	32,288	11,555	(2,819,654)
Fund balances, beginning of year	116,708	1,664,961	2,797,777	-	2,819,654
Fund balances, end of year	<u>\$ 164,679</u>	<u>\$ 1,233,897</u>	<u>\$ 2,830,065</u>	<u>\$ 11,555</u>	<u>\$ -</u>

* See page D45 for budget comparisons.

** See page D46 for budget comparisons.

*** See page D47 for budget comparisons.

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CITY OF ALBANY

OTHER CAPITAL PROJECTS FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	<u>Totals</u>	
	<u>2009</u>	<u>2008</u>
REVENUES		
Property taxes	\$ 1,042,720	\$ 991,419
Earnings on investments	136,636	402,567
Revenues from other agencies	2,385,613	622,138
Current service charges	67,662	226,791
Other revenue	2,023	1,065
Total revenues	<u>3,634,654</u>	<u>2,243,980</u>
EXPENDITURES		
Current:		
General government	304,935	267,875
Police	177,217	298,981
Fire and emergency medical services	198,032	301,224
Community development and environmental resources	2,006,298	530,463
Recreation and community services	-	-
Capital outlay	6,662,848	3,912,669
Debt service:		
Principal	-	-
Interest	5,400	13,110
Total expenditures	<u>9,354,730</u>	<u>5,324,322</u>
Excess of revenues over (under) expenditures	<u>(5,720,076)</u>	<u>(3,080,342)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of debt	3,493,630	-
Transfers in	721,500	1,081,213
Transfers out	-	(277)
Total other financing sources (uses)	<u>4,215,130</u>	<u>1,080,936</u>
Net change in fund balances	(1,504,946)	(1,999,406)
Fund balances, beginning of year	11,865,797	13,865,203
Fund balances, end of year	<u>\$10,360,851</u>	<u>\$11,865,797</u>

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Fire Equipment			Police Equipment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	26,620	26,620	-	21,597	21,597
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	26,620	26,620	-	21,597	21,597
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	265,000	632,224	(367,224)	60,000	30,168	29,832
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	265,000	632,224	(367,224)	60,000	30,168	29,832
Excess of revenues over (under) expenditures	(265,000)	(605,604)	(340,604)	(60,000)	(8,571)	51,429
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	374,990	374,990	-	-	-
Transfers in	24,000	24,000	-	51,000	51,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	24,000	398,990	374,990	51,000	51,000	-
Net change in fund balances	<u>\$ (241,000)</u>	<u>(206,614)</u>	<u>\$ 34,386</u>	<u>\$ (9,000)</u>	<u>42,429</u>	<u>\$ 51,429</u>
Fund balances, beginning of year		<u>267,071</u>			<u>228,239</u>	
Fund balances, end of year		<u>\$ 60,457</u>			<u>\$ 270,668</u>	

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on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Emergency Medical Service Equipment			Fire Operations Equipment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	30,000	20,815	9,185
Community development and environmental resources	-	-	-	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	29,146	(29,146)	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	-	29,146	(29,146)	30,000	20,815	9,185
Excess of revenues over (under) expenditures	-	(29,146)	(29,146)	(30,000)	(20,815)	9,185
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	22,500	22,500	-	24,000	24,000	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	22,500	22,500	-	24,000	24,000	-
Net change in fund balances	<u>\$ 22,500</u>	<u>(6,646)</u>	<u>\$ (29,146)</u>	<u>\$ (6,000)</u>	<u>3,185</u>	<u>\$ 9,185</u>
Fund balances, beginning of year		<u>91,793</u>			<u>49,402</u>	
Fund balances, end of year		<u>\$ 85,147</u>			<u>\$ 52,587</u>	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Capital Facilities Developer Fee			Capital Facilities Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	10,100	7,401	(2,699)	13,485	19,055	5,570
Revenues from other agencies	-	-	-	-	-	-
Current service charges	21,000	8,159	(12,841)	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>31,100</u>	<u>15,560</u>	<u>(15,540)</u>	<u>13,485</u>	<u>19,055</u>	<u>5,570</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	-	-	400,000	6,600	393,400
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	164,497	(164,497)	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>164,497</u>	<u>(164,497)</u>	<u>400,000</u>	<u>6,600</u>	<u>393,400</u>
Excess of revenues over (under) expenditures	<u>31,100</u>	<u>(148,937)</u>	<u>(180,037)</u>	<u>(386,515)</u>	<u>12,455</u>	<u>398,970</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 31,100</u>	<u>(148,937)</u>	<u>\$ (180,037)</u>	<u>\$ (386,515)</u>	<u>12,455</u>	<u>\$ 398,970</u>
Fund balances, beginning of year		<u>332,345</u>			<u>1,002,681</u>	
Fund balances, end of year		<u>\$ 183,408</u>			<u>\$ 1,015,136</u>	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Street & Storm Funds			Reinvestment		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 794,680	\$ 752,505	\$ (42,175)	\$ 341,243	\$ 290,215	\$ (51,028)
Earnings on investments	15,000	12,563	(2,437)	19,898	11,598	(8,300)
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	2,000	-	(2,000)
Total revenues	<u>809,680</u>	<u>765,068</u>	<u>(44,612)</u>	<u>363,141</u>	<u>301,813</u>	<u>(61,328)</u>
EXPENDITURES						
Current:						
General government	-	116,360	(116,360)	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	-	47,645	(47,645)	114,889	201,409	(86,520)
Recreation and community services	-	-	-	-	-	-
Capital outlay	3,437,000	2,006,386	1,430,614	36,847	-	36,847
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	12,000	5,400	6,600
Total expenditures	<u>3,437,000</u>	<u>2,170,391</u>	<u>1,266,609</u>	<u>163,736</u>	<u>206,809</u>	<u>(43,073)</u>
Excess of revenues over (under) expenditures	<u>(2,627,320)</u>	<u>(1,405,323)</u>	<u>1,221,997</u>	<u>199,405</u>	<u>95,004</u>	<u>(104,401)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	2,937,000	3,118,640	181,640	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,937,000</u>	<u>3,118,640</u>	<u>181,640</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 309,680</u>	<u>1,713,317</u>	<u>\$ 1,403,637</u>	<u>\$ 199,405</u>	<u>95,004</u>	<u>\$ (104,401)</u>
Fund balances, beginning of year		<u>1,147,554</u>			<u>187,410</u>	
Fund balances, end of year		<u>\$ 2,860,871</u>			<u>\$ 282,414</u>	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Waterfront Plan			Equipment Replacement Reserve		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	100,000	422,985	(322,985)	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	-	-	-	-	27,250	(27,250)
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	100,000	422,985	(322,985)	-	27,250	(27,250)
Excess of revenues over (under) expenditures	(100,000)	(422,985)	(322,985)	-	(27,250)	(27,250)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	600,000	600,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	600,000	600,000
Net change in fund balances	<u>\$ (100,000)</u>	<u>(422,985)</u>	<u>\$ (322,985)</u>	<u>\$ -</u>	<u>572,750</u>	<u>\$ 572,750</u>
Fund balances, beginning of year		<u>547,004</u>			<u>613,198</u>	
Fund balances, end of year		<u>\$ 124,019</u>			<u>\$ 1,185,948</u>	

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on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	R & CS Reserve			Capital Projects Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-	-
Revenues from other agencies	-	-	-	3,168,329	2,155,968	(1,012,361)
Current service charges	51,000	47,948	(3,052)	-	-	-
Other revenue	-	23	23	-	2,000	2,000
Total revenues	51,000	47,971	(3,029)	3,168,329	2,157,968	(1,010,361)
EXPENDITURES						
Current:						
General government	-	-	-	161,787	188,575	(26,788)
Police	-	-	-	109,113	177,217	(68,104)
Fire and emergency medical services	-	-	-	105,350	177,217	(71,867)
Community development and environmental resources	-	-	-	57,889	191,277	(133,388)
Recreation and community services	600	-	600	-	-	-
Capital outlay	-	-	-	3,725,994	1,854,746	1,871,248
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	600	-	600	4,160,133	2,589,032	1,571,101
Excess of revenues over (under) expenditures	50,400	47,971	(2,429)	(991,804)	(431,064)	560,740
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ 50,400	47,971	\$ (2,429)	\$ (991,804)	(431,064)	\$ 560,740
Fund balances, beginning of year		116,708			1,664,961	
Fund balances, end of year		\$ 164,679			\$ 1,233,897	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	1996-1 Assessment District Bond Fund			Public Art Fee		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	113,803	59,513	(54,290)	-	-	-
Revenues from other agencies	-	26,078	26,078	-	-	-
Current service charges	-	-	-	-	11,555	11,555
Other revenue	-	-	-	-	-	-
Total revenues	<u>113,803</u>	<u>85,591</u>	<u>(28,212)</u>	<u>-</u>	<u>11,555</u>	<u>11,555</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Police	-	-	-	-	-	-
Fire and emergency medical services	-	-	-	-	-	-
Community development and environmental resources	178,212	30,982	147,230	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	105,000	22,321	82,679	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>283,212</u>	<u>53,303</u>	<u>229,909</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(169,409)</u>	<u>32,288</u>	<u>201,697</u>	<u>-</u>	<u>11,555</u>	<u>11,555</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (169,409)</u>	<u>32,288</u>	<u>\$ 201,697</u>	<u>\$ -</u>	<u>11,555</u>	<u>\$ 11,555</u>
Fund balances, beginning of year		<u>2,797,777</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 2,830,065</u>			<u>\$ 11,555</u>	

Continued
on next page

CITY OF ALBANY
OTHER CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General Obligation Bond 2003			Total		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 1,135,923	\$ 1,042,720	\$ (93,203)
Earnings on investments	30,151	26,506	(3,645)	202,437	136,636	(65,801)
Revenues from other agencies	-	155,350	155,350	3,168,329	2,385,613	(782,716)
Current service charges	-	-	-	72,000	67,662	(4,338)
Other revenue	-	-	-	2,000	2,023	23
Total revenues	30,151	181,856	151,705	4,580,689	3,634,654	(946,035)
EXPENDITURES						
Current:						
General government	-	-	-	161,787	304,935	(143,148)
Police	-	-	-	109,113	177,217	(68,104)
Fire and emergency medical services	-	-	-	135,350	198,032	(62,682)
Community development and environmental resources	300,000	1,105,400	(805,400)	1,150,990	2,006,298	(855,308)
Recreation and community services	755	-	755	1,355	-	1,355
Capital outlay	5,188,540	1,896,110	3,292,430	12,818,381	6,662,848	6,155,533
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	12,000	5,400	6,600
Total expenditures	5,489,295	3,001,510	2,487,785	14,388,976	9,354,730	5,034,246
Excess of revenues over (under) expenditures	(5,459,144)	(2,819,654)	2,639,490	(9,808,287)	(5,720,076)	4,088,211
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	2,937,000	3,493,630	556,630
Transfers in	-	-	-	121,500	721,500	600,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	3,058,500	4,215,130	1,156,630
Net change in fund balances	\$ (5,459,144)	(2,819,654)	\$ 2,639,490	\$ (6,749,787)	(1,504,946)	\$ 5,244,841
Fund balances, beginning of year		2,819,654			11,865,797	
Fund balances, end of year		\$ -			\$10,360,851	

MAJOR CAPITAL PROJECTS FUNDS

CITY OF ALBANY

Major Capital Project Funds

The City's Major Capital Projects Funds are:

Civic Center Improvement Bonds - is used to account for the General Obligation Bond, Series 2007, issued to finance the structural improvements of the fire department, police department and city hall buildings.

General Obligation Bond II - is used to account for the General Obligation Bond, Series 2007, issued to finance the repair and improvement of recreational facilities; structural improvements to the fire department, police department and city hall buildings; residential street improvements; bike path improvements, construction and safety lighting; create and improve new and existing parks; and resurface city streets. This is the second issuance of the 2002 Election Bonds. The first issuance was issued in June 2003 for \$8,000,000.

CITY OF ALBANY
CAPITAL PROJECTS FUNDS - MAJOR FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Civic Center Improvement			General Obligation Bond II		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	72,070	114,486	42,416	107,004	139,168	32,164
Revenues from other agencies	-	-	-	-	-	-
Current service charges	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>72,070</u>	<u>114,486</u>	<u>42,416</u>	<u>107,004</u>	<u>139,168</u>	<u>32,164</u>
EXPENDITURES						
Current:						
Community development and environmental resources	85,833	19,979	65,854	-	-	-
Recreation and community services	-	-	-	-	-	-
Capital outlay	1,759,926	1,985,514	(225,588)	-	2,491,852	(2,491,852)
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,845,759</u>	<u>2,005,493</u>	<u>(159,734)</u>	<u>-</u>	<u>2,491,852</u>	<u>(2,491,852)</u>
Excess of revenues over (under) expenditures	<u>(1,773,689)</u>	<u>(1,891,007)</u>	<u>(117,318)</u>	<u>107,004</u>	<u>(2,352,684)</u>	<u>(2,459,688)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(20,089)	(20,089)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,089)</u>	<u>(20,089)</u>
Net change in fund balances	<u>\$ (1,773,689)</u>	<u>(1,891,007)</u>	<u>\$ (117,318)</u>	<u>\$ 107,004</u>	<u>(2,372,773)</u>	<u>\$(2,479,777)</u>
Fund balances, beginning of year		<u>5,188,659</u>			<u>6,745,675</u>	
Fund balances, end of year		<u>\$ 3,297,652</u>			<u>\$ 4,372,902</u>	

Continued on next page

CITY OF ALBANY
CAPITAL PROJECTS FUNDS - MAJOR FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Total		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Property taxes	\$ -	\$ -	\$ -
Earnings on investments	179,074	253,654	74,580
Revenues from other agencies	-	-	-
Current service charges	-	-	-
Other revenue	-	-	-
Total revenues	<u>179,074</u>	<u>253,654</u>	<u>74,580</u>
EXPENDITURES			
Current:			
Community development and environmental resources	85,833	19,979	65,854
Recreation and community services	-	-	-
Capital outlay	1,759,926	4,477,366	(2,717,440)
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>1,845,759</u>	<u>4,497,345</u>	<u>(2,651,586)</u>
Excess of revenues over (under) expenditures	<u>(1,666,685)</u>	<u>(4,243,691)</u>	<u>(2,577,006)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	-	-	-
Transfers out	-	(20,089)	(20,089)
Total other financing sources (uses)	<u>-</u>	<u>(20,089)</u>	<u>(20,089)</u>
Net change in fund balances	<u><u>\$(1,666,685)</u></u>	<u><u>(4,263,780)</u></u>	<u><u>\$ (2,597,095)</u></u>
Fund balances, beginning of year		<u>11,934,334</u>	
Fund balances, end of year		<u><u>\$ 7,670,554</u></u>	

OTHER DEBT SERVICE FUNDS

CITY OF ALBANY

Other Debt Service Funds

Debt Service Funds are used to account for financial resources to be used for payment for City's long-term debt. The City's Other Debt Service Funds are:

Albany Public Facilities Financing Authority Fund - accounts for accumulation of resources for the payments of special district long-term debt principal and interest.

Reinvestment Debt Service - accounts for property tax increment revenue and other revenues generated by activities in the redevelopment area, and used to service debt incurred by the Reinvestment Agency.

G.O. Bond Debt Service - accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2002 Election Bonds, Series 2003.

G.O. Bond II Debt Service - accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2002 Election Bonds, Series 2007.

Civic Center Improvement Bond Debt Service - accounts for accumulation of resources for the payments of general obligation bond principal and interest of the 2006 Election Bonds, Series 2007.

2009 Street & Storm Drain Parcel Tax Debt Service – accounts for accumulation of resources for the payments of parcel tax note payable principal and interest of the 2006 Election parcel tax, Series 2009.

CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	<u>Debt Service APFFA</u>	<u>Reinvestment Debt Service</u>	<u>G.O. Bond Debt Service</u>	<u>G.O. Bond II Debt Service</u>
ASSETS				
Operating cash and investments	\$ 61,640	\$ 420,239	\$ 523,629	\$ 299,561
Debt service reserves held with trustee	119,520	-	-	-
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Total assets	<u>\$ 181,160</u>	<u>\$ 420,239</u>	<u>\$ 523,629</u>	<u>\$ 299,561</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,988	\$ -	\$ 500	\$ -
Due to other funds	-	6,952	-	-
Advances from other funds	-	386,203	-	-
Total liabilities	<u>2,988</u>	<u>393,155</u>	<u>500</u>	<u>-</u>
Fund balances:				
Reserved for debt service	178,172	27,084	523,129	299,561
Total fund balances	<u>178,172</u>	<u>27,084</u>	<u>523,129</u>	<u>299,561</u>
Total liabilities and fund balances	<u>\$ 181,160</u>	<u>\$ 420,239</u>	<u>\$ 523,629</u>	<u>\$ 299,561</u>

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on next page

**CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
COMBINING BALANCE SHEET (CONTINUED)**

JUNE 30, 2009

(With Comparative Totals for June 30, 2008)

	Civic Center Debt Service	Street Paving & Storm Drain Debt Service	Totals	
			2009	2008
ASSETS				
Operating cash and investments	\$ 263,189	\$ -	\$ 1,568,258	\$ 1,439,813
Debt service reserves held with trustee	-	346,516	466,036	198,145
Receivables:				
Taxes	-	-	-	9,219
Accounts	-	-	-	3,095
Total assets	<u>\$ 263,189</u>	<u>\$ 346,516</u>	<u>\$ 2,034,294</u>	<u>\$ 1,650,272</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 3,488	\$ 1,392
Due to other funds	-	-	6,952	24,918
Advances from other funds	-	-	386,203	386,203
Total liabilities	<u>-</u>	<u>-</u>	<u>396,643</u>	<u>412,513</u>
Fund balances:				
Reserved for debt service	263,189	346,516	1,637,651	1,237,759
Total fund balances	<u>263,189</u>	<u>346,516</u>	<u>1,637,651</u>	<u>1,237,759</u>
Total liabilities and fund balances	<u>\$ 263,189</u>	<u>\$ 346,516</u>	<u>\$ 2,034,294</u>	<u>\$ 1,650,272</u>

CITY OF ALBANY

OTHER DEBT SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

[\(With Comparative Totals for the Fiscal Year Ended June 30, 2008\)](#)

	Debt Service APFFA *	Reinvestment Debt Service *	G.O. Bond Debt Service **	G.O. Bond II Debt Service **
REVENUES				
Property taxes	\$ -	\$ -	\$ 471,756	\$ 423,450
Earnings on investments	1,134	8,925	6,441	2,403
Revenues from other agencies	-	-	6,096	5,472
Total revenues	<u>1,134</u>	<u>8,925</u>	<u>484,293</u>	<u>431,325</u>
EXPENDITURES				
Current:				
General government	12,107	-	2,818	3,109
Debt service:				
Principal	395,000	-	170,000	95,000
Interest	67,178	6,952	289,775	312,065
Total expenditures	<u>474,285</u>	<u>6,952</u>	<u>462,593</u>	<u>410,174</u>
Excess of revenues over (under) expenditures	<u>(473,151)</u>	<u>1,973</u>	<u>21,700</u>	<u>21,151</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Bond premium	-	-	-	-
Transfers in	462,206	-	-	-
Total other financing sources (uses)	<u>462,206</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,945)	1,973	21,700	21,151
Fund balances, beginning of year	189,117	25,111	501,429	278,410
Fund balances, end of year	<u>\$ 178,172</u>	<u>\$ 27,084</u>	<u>\$ 523,129</u>	<u>\$ 299,561</u>

* See page D56 for budget comparisons.

** See page D57 for budget comparisons.

Continued
on next page

CITY OF ALBANY

OTHER DEBT SERVICE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(With Comparative Totals for the Fiscal Year Ended June 30, 2008)

	Civic Center Debt Service	Street Paving & Storm Drain Debt Service	Totals	
			2009	2008
REVENUES	*	*		
Property taxes	\$ 325,612	\$ -	\$ 1,220,818	\$ 1,338,430
Earnings on investments	1,974	-	20,877	36,704
Revenues from other agencies	4,208	-	15,776	16,215
Total revenues	331,794	-	1,257,471	1,391,349
EXPENDITURES				
Current:				
General government	1,818	-	19,852	274,705
Debt service:				
Principal	70,000	-	730,000	540,000
Interest	240,479	-	916,449	657,597
Total expenditures	312,297	-	1,666,301	1,472,302
Excess of revenues over (under) expenditures	19,497	-	(408,830)	(80,953)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	346,516	346,516	-
Bond premium	-	-	-	310,756
Transfers in	-	-	462,206	447,742
Total other financing sources (uses)	-	346,516	808,722	758,498
Net change in fund balances	19,497	346,516	399,892	677,545
Fund balances, beginning of year	243,692	-	1,237,759	560,214
Fund balances, end of year	\$ 263,189	\$ 346,516	\$ 1,637,651	\$ 1,237,759

* See page D58 for budget comparisons.

CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Debt Service APFFA			Reinvestment Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	6,972	1,134	(5,838)	9,556	8,925	(631)
Revenues from other agencies	-	-	-	-	-	-
Total revenues	<u>6,972</u>	<u>1,134</u>	<u>(5,838)</u>	<u>9,556</u>	<u>8,925</u>	<u>(631)</u>
EXPENDITURES						
Current:						
General government	7,000	12,107	(5,107)	-	-	-
Debt Service:						
Principal	395,000	395,000	-	-	-	-
Interest	67,178	67,178	-	8,406	6,952	1,454
Total expenditures	<u>469,178</u>	<u>474,285</u>	<u>(5,107)</u>	<u>8,406</u>	<u>6,952</u>	<u>1,454</u>
Excess of revenues over (under) expenditures	<u>(462,206)</u>	<u>(473,151)</u>	<u>(10,945)</u>	<u>1,150</u>	<u>1,973</u>	<u>823</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	462,206	462,206	-	-	-	-
Total other financing sources (uses)	<u>462,206</u>	<u>462,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>(10,945)</u>	<u>\$ (10,945)</u>	<u>\$ 1,150</u>	<u>1,973</u>	<u>\$ 823</u>
Fund balances, beginning of year		<u>189,117</u>			<u>25,111</u>	
Fund balances, end of year		<u>\$ 178,172</u>			<u>\$ 27,084</u>	

Continued
on next page

CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	G.O. Bond Debt Service			G.O. Bond II Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 485,476	\$ 471,756	\$ (13,720)	\$ 423,710	\$ 423,450	\$ (260)
Earnings on investments	14,170	6,441	(7,729)	7,845	2,403	(5,442)
Revenues from other agencies	8,000	6,096	(1,904)	-	5,472	5,472
Total revenues	<u>507,646</u>	<u>484,293</u>	<u>(23,353)</u>	<u>431,555</u>	<u>431,325</u>	<u>(230)</u>
EXPENDITURES						
Current:						
General government	4,000	2,818	1,182	3,300	3,109	191
Debt Service:						
Principal	170,000	170,000	-	95,000	95,000	-
Interest	289,776	289,775	1	306,371	312,065	(5,694)
Total expenditures	<u>463,776</u>	<u>462,593</u>	<u>1,183</u>	<u>404,671</u>	<u>410,174</u>	<u>(5,503)</u>
Excess of revenues over (under) expenditures	<u>43,870</u>	<u>21,700</u>	<u>(22,170)</u>	<u>26,884</u>	<u>21,151</u>	<u>(5,733)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 43,870</u>	<u>21,700</u>	<u>\$ (22,170)</u>	<u>\$ 26,884</u>	<u>21,151</u>	<u>\$ (5,733)</u>
Fund balances, beginning of year		<u>501,429</u>			<u>278,410</u>	
Fund balances, end of year		<u>\$ 523,129</u>			<u>\$ 299,561</u>	

Continued
on next page

CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Civic Center Debt Service			Street Paving & Storm Drain Debt Service		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES						
Property taxes	\$ 324,679	\$ 325,612	\$ 933	\$ -	\$ -	\$ -
Earnings on investments	6,911	1,974	(4,937)	-	-	-
Revenues from other agencies	-	4,208	4,208	-	-	-
Total revenues	<u>331,590</u>	<u>331,794</u>	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	4,000	1,818	2,182	-	-	-
Debt Service:						
Principal	70,000	70,000	-	-	-	-
Interest	236,087	240,479	(4,392)	-	-	-
Total expenditures	<u>310,087</u>	<u>312,297</u>	<u>(2,210)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>21,503</u>	<u>19,497</u>	<u>(2,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	-	346,516	346,516
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,516</u>	<u>346,516</u>
Net change in fund balances	<u>\$ 21,503</u>	<u>19,497</u>	<u>\$ (2,006)</u>	<u>\$ -</u>	<u>346,516</u>	<u>\$ 346,516</u>
Fund balances, beginning of year		<u>243,692</u>			<u>-</u>	
Fund balances, end of year		<u>\$ 263,189</u>			<u>\$ 346,516</u>	

Continued
on next page

CITY OF ALBANY
OTHER DEBT SERVICE FUNDS
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Total		Variance Positive (Negative)
	Budget	Actual	
REVENUES			
Property taxes	\$ 1,233,865	\$ 1,220,818	\$ (13,047)
Earnings on investments	45,454	20,877	(24,577)
Revenues from other agencies	8,000	15,776	7,776
Total revenues	<u>1,287,319</u>	<u>1,257,471</u>	<u>(29,848)</u>
EXPENDITURES			
Current:			
General government	18,300	19,852	(1,552)
Debt Service:			
Principal	730,000	730,000	-
Interest	907,818	916,449	(8,631)
Total expenditures	<u>1,656,118</u>	<u>1,666,301</u>	<u>(10,183)</u>
Excess of revenues over (under) expenditures	<u>(368,799)</u>	<u>(408,830)</u>	<u>(40,031)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	346,516	346,516
Transfers in	462,206	462,206	-
Total other financing sources (uses)	<u>462,206</u>	<u>808,722</u>	<u>346,516</u>
Net change in fund balances	<u>\$ 93,407</u>	399,892	<u>\$ 306,485</u>
Fund balances, beginning of year		<u>1,237,759</u>	
Fund balances, end of year		<u>\$ 1,637,651</u>	

AGENCY FUNDS

CITY OF ALBANY

Agency Funds

Agency Funds are used to account for assets held by the City in a fiduciary capacity or as an agent for individuals, governmental entities and others. Such funds are operated to carry out the specific actions of trust agreements, ordinances, bylaws, and other governing regulations. The City's Agency Funds are:

Codornices Trail – is used to track activities of funds held for third parties, to be used to provide maintenance for Codornices Creek.

Bond and Trust Fund - is used to track security or performance bond deposits on projects that encroach upon the City facilities right of ways.

School Facility Fee Fund - accounts for development impact fees levied by and due to the Albany Unified School District.

1996-1 Assessment District Bond Fund - is used to pay for acquisition, development and maintenance of open space on Albany Hill; the acquisition, development and maintenance of recreational playfields; and the activities relating to creek restoration, as part of the Open Space, Recreational Playfields and Creek Restoration Assessment District No. 1996-1.

CITY OF ALBANY
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2009
(With Comparative Totals for June 30, 2008)

	Codornices Trail	Bond & Trust	School Facility Fees	1996-1 Assessment District Bond Funds	Totals	
					2009	2008
ASSETS						
Operating cash and investments	\$ 49,706	\$ 209,346	\$ -	\$ 366,591	\$ 625,643	\$ 651,715
Debt service reserves held with trustee	-	-	-	479,800	479,800	483,107
Receivables	-	54,550	-	-	54,550	59,771
Total assets	<u>\$ 49,706</u>	<u>\$ 263,896</u>	<u>\$ -</u>	<u>\$ 846,391</u>	<u>\$ 1,159,993</u>	<u>\$ 1,194,593</u>
LIABILITIES						
Accounts payable	\$ -	\$ 39,805	\$ -	\$ -	\$ 39,805	\$ 23,259
Due to bondholders	-	-	-	846,391	846,391	866,259
Member deposits	49,706	-	-	-	49,706	63,945
Refundable deposits	-	224,091	-	-	224,091	241,130
Total liabilities	<u>\$ 49,706</u>	<u>\$ 263,896</u>	<u>\$ -</u>	<u>\$ 846,391</u>	<u>\$ 1,159,993</u>	<u>\$ 1,194,593</u>

CITY OF ALBANY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Codornices Trail				
Assets:				
Operating cash and investments	\$ 63,945	\$ -	\$ 14,239	\$ 49,706
Total assets	<u>\$ 63,945</u>	<u>\$ -</u>	<u>\$ 14,239</u>	<u>\$ 49,706</u>
Liabilities:				
Member deposits	\$ 63,945	\$ -	\$ 14,239	\$ 49,706
Total liabilities	<u>\$ 63,945</u>	<u>\$ -</u>	<u>\$ 14,239</u>	<u>\$ 49,706</u>
Bond and Trust				
Assets:				
Operating cash and investments	\$ 209,108	\$ 238	\$ -	\$ 209,346
Receivables	55,281	-	731	54,550
Total assets	<u>\$ 264,389</u>	<u>\$ 238</u>	<u>\$ 731</u>	<u>\$ 263,896</u>
Liabilities:				
Accounts payable	\$ 21,143	\$ 18,662	\$ 2,116	\$ 37,689
Refundable deposits	241,130	-	17,039	224,091
Total liabilities	<u>\$ 262,273</u>	<u>\$ 18,662</u>	<u>\$ 19,155</u>	<u>\$ 261,780</u>
School Facility Fees				
Assets:				
Operating cash and investments	\$ -	\$ 49,574	\$ 49,574	\$ -
Total assets	<u>\$ -</u>	<u>\$ 49,574</u>	<u>\$ 49,574</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ -	\$ 49,574	\$ 49,574	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 49,574</u>	<u>\$ 49,574</u>	<u>\$ -</u>
1996-1 Assessment District Bond Funds				
Assets:				
Operating cash and investments	\$ 378,662	\$ -	\$ 12,071	\$ 366,591
Debt service reserves held with trustee	483,107	-	3,307	479,800
Accounts receivable	4,490	-	4,490	-
Total assets	<u>\$ 866,259</u>	<u>\$ -</u>	<u>\$ 19,868</u>	<u>\$ 846,391</u>
Liabilities:				
Due to bondholders	\$ 866,259	\$ -	\$ 19,868	\$ 846,391
Total Agency Funds				
Assets:				
Operating cash and investments	\$ 651,715	\$ 49,812	\$ 75,884	\$ 625,643
Debt service reserves held with trustee	483,107	-	3,307	479,800
Receivables	59,771	-	5,221	54,550
Total assets	<u>\$ 1,194,593</u>	<u>\$ 49,812</u>	<u>\$ 84,412</u>	<u>\$ 1,159,993</u>
Liabilities:				
Accounts payable	\$ 23,259	\$ 68,236	\$ 51,690	\$ 39,805
Due to bondholders	866,259	-	19,868	846,391
Member deposits	63,945	-	14,239	49,706
Refundable deposits	241,130	-	17,039	224,091
Total liabilities	<u>\$ 1,194,593</u>	<u>\$ 68,236</u>	<u>\$ 102,836</u>	<u>\$ 1,159,993</u>

**STATISTICAL
SECTION**

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	E2
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property taxes.	E7
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	E11
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	E15
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	E17

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented Government Accounting Standard Board Statement 34 in fiscal year 2002-03, and schedules that present government-wide information include data beginning in fiscal year 2002-03.

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CITY OF ALBANY
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities:							
Invested in capital assets, net of related debt	\$ 16,470,476	\$ 17,257,455	\$ 17,781,968	\$ 18,532,193	\$ 19,778,241	\$ 21,475,878	\$ 15,044,907
Restricted	6,026,653	6,699,173	10,216,999	10,499,672	12,086,541	14,448,400	23,245,678
Unrestricted	2,025,323	3,814,453	2,410,651	3,681,231	4,696,819	4,970,236	5,252,788
Total governmental activities assets	<u>\$ 24,522,452</u>	<u>\$ 27,771,081</u>	<u>\$ 30,409,618</u>	<u>\$ 32,713,096</u>	<u>\$ 36,561,601</u>	<u>\$ 40,894,514</u>	<u>\$ 43,543,373</u>
Business-type activities:							
Invested in capital assets, net of related debt	\$ 7,140,132	\$ 7,116,979	\$ 7,106,252	\$ 7,155,248	\$ 7,190,702	\$ 7,262,591	\$ 5,734,953
Restricted	-	-	-	-	3,040,947	2,164,251	1,132,086
Unrestricted	2,182,527	2,570,946	3,078,082	3,595,793	1,117,322	2,605,682	5,680,731
Total business-type activities net assets	<u>\$ 9,322,659</u>	<u>\$ 9,687,925</u>	<u>\$ 10,184,334</u>	<u>\$ 10,751,041</u>	<u>\$ 11,348,971</u>	<u>\$ 12,032,524</u>	<u>\$ 12,547,770</u>
Primary government:							
Invested in capital assets, net of related debt	\$ 23,610,608	\$ 24,374,434	\$ 24,888,220	\$ 25,687,441	\$ 26,968,943	\$ 28,738,469	\$ 20,779,860
Restricted	6,026,653	6,699,173	10,216,999	10,499,672	15,127,488	16,612,651	24,377,764
Unrestricted	4,207,850	6,385,399	5,488,733	7,277,024	5,814,141	7,575,918	10,933,519
Total primary government net assets	<u>\$ 33,845,111</u>	<u>\$ 37,459,006</u>	<u>\$ 40,593,952</u>	<u>\$ 43,464,137</u>	<u>\$ 47,910,572</u>	<u>\$ 52,927,038</u>	<u>\$ 56,091,143</u>

Source: Financial statements.

Note: The City of Albany implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available. Ten years of historical statistical data is the preferred presentation, but only seven years are presented in this report because comparable data was not available for years prior to 2003.

CITY OF ALBANY
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses:							
Governmental activities:							
General government	\$ 4,322,523	\$ 3,554,262	\$ 3,470,925	\$ 2,184,226	\$ 2,510,778	\$ 3,330,151	\$ 3,046,932
Police	3,878,639	3,647,028	3,895,781	5,551,034	5,225,675	5,318,974	6,259,695
Fire and emergency medical services	2,805,622	2,999,573	3,211,605	4,476,642	4,045,725	4,220,435	5,191,107
Community development and environmental resources	3,288,021	3,570,329	4,288,600	3,647,228	5,104,975	4,121,912	5,895,932
Recreation and community services	2,644,832	1,901,735	1,970,000	2,079,675	2,268,245	2,527,959	2,822,672
Interest on long-term debt	255,332	345,487	445,989	422,768	398,238	855,504	909,789
Total governmental activities expenses	<u>17,194,969</u>	<u>16,018,414</u>	<u>17,282,900</u>	<u>18,361,573</u>	<u>19,553,636</u>	<u>20,374,935</u>	<u>24,126,127</u>
Business-type activities:							
Sewer	656,722	598,948	619,126	638,270	701,291	686,487	753,955
Total business-type activities expenses	<u>656,722</u>	<u>598,948</u>	<u>619,126</u>	<u>638,270</u>	<u>701,291</u>	<u>686,487</u>	<u>753,955</u>
Total primary government expenses	<u>17,851,691</u>	<u>16,617,362</u>	<u>17,902,026</u>	<u>18,999,843</u>	<u>20,254,927</u>	<u>21,061,422</u>	<u>24,880,082</u>
Program revenues:							
Governmental activities:							
Charges for services:							
General government	88,680	120,222	110,250	104,049	106,353	99,586	104,751
Police	374,842	317,736	242,783	186,682	248,400	326,035	329,658
Fire and emergency medical services	496,918	473,413	497,834	500,289	605,087	653,902	808,339
Community development and environmental resources	394,254	671,357	504,282	469,326	378,470	567,604	386,333
Recreation and community services	551,564	610,685	606,022	715,321	820,731	857,881	968,891
Operating grants and contributions:	1,298,073	1,031,928	960,257	1,155,302	1,016,524	1,084,674	1,674,809
Capital grants and contributions:	1,147,086	494,691	1,314,001	259,193	1,180,524	772,629	3,247,715
Total governmental activities program revenues	<u>4,351,417</u>	<u>3,720,032</u>	<u>4,235,429</u>	<u>3,390,162</u>	<u>4,356,089</u>	<u>4,362,311</u>	<u>7,520,496</u>
Business-type activities:							
Charges for services:							
Sewer	1,786,322	1,729,775	1,773,877	1,821,311	1,838,255	1,986,934	2,060,046
Total business-type activities program revenues	<u>1,786,322</u>	<u>1,729,775</u>	<u>1,773,877</u>	<u>1,821,311</u>	<u>1,838,255</u>	<u>1,986,934</u>	<u>2,060,046</u>
Total primary government program revenues	<u>6,137,739</u>	<u>5,449,807</u>	<u>6,009,306</u>	<u>5,211,473</u>	<u>6,194,344</u>	<u>6,349,245</u>	<u>9,580,542</u>
Net revenues (expenses):							
Governmental activities	(12,843,552)	(12,298,382)	(13,047,471)	(14,971,411)	(15,197,547)	(16,012,624)	(16,605,631)
Business-type activities	1,129,600	1,130,827	1,154,751	1,183,041	1,136,964	1,300,447	1,306,091
Total net revenues (expenses)	<u>(11,713,952)</u>	<u>(11,167,555)</u>	<u>(11,892,720)</u>	<u>(13,788,370)</u>	<u>(14,060,583)</u>	<u>(14,712,177)</u>	<u>(15,299,540)</u>

CITY OF ALBANY
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Total net revenues (expenses)	\$(11,713,952)	\$(11,167,555)	\$(11,892,720)	\$(13,788,370)	\$(14,060,583)	\$(14,712,177)	\$(15,299,540)
General revenues and other changes in assets:							
Governmental activities:							
Taxes:							
Property taxes	5,279,747	6,146,426	7,422,406	8,422,013	9,761,603	11,166,306	11,201,983
Sales taxes	1,339,720	1,356,985	1,599,449	2,042,834	2,242,377	2,182,934	2,223,083
Franchise and other taxes	3,656,177	4,506,463	4,557,311	4,442,459	4,317,435	4,134,888	3,945,897
Earnings on investments	322,236	353,941	474,975	924,454	1,237,048	1,467,529	718,994
Unrestricted revenues from other agencies	1,000,893	802,813	409,822	226,494	281,474	182,894	147,569
Other revenue	278,811	1,599,794	385,667	364,409	341,716	331,633	118,834
Transfers	769,800	780,589	836,378	852,226	864,399	879,353	898,130
Total governmental activities	<u>12,647,384</u>	<u>15,547,011</u>	<u>15,686,008</u>	<u>17,274,889</u>	<u>19,046,052</u>	<u>20,345,537</u>	<u>19,254,490</u>
Business-type activities:							
Earnings on investments	45,801	15,028	175,321	235,892	325,365	262,459	107,285
Other revenue	2,125	-	2,715	-	-	-	-
Transfers	(758,600)	(780,589)	(836,378)	(852,226)	(864,399)	(879,353)	(898,130)
Total business-type activities	<u>(710,674)</u>	<u>(765,561)</u>	<u>(658,342)</u>	<u>(616,334)</u>	<u>(539,034)</u>	<u>(616,894)</u>	<u>(790,845)</u>
Total primary government	<u>11,936,710</u>	<u>14,781,450</u>	<u>15,027,666</u>	<u>16,658,555</u>	<u>18,507,018</u>	<u>19,728,643</u>	<u>18,463,645</u>
Changes in net assets							
Governmental activities	(196,168)	3,248,629	2,638,537	2,303,478	3,848,505	4,332,913	2,648,859
Business-type activities	418,926	365,266	496,409	566,707	597,930	683,553	515,246
Total primary government	<u>\$ 222,758</u>	<u>\$ 3,613,895</u>	<u>\$ 3,134,946</u>	<u>\$ 2,870,185</u>	<u>\$ 4,446,435</u>	<u>\$ 5,016,466</u>	<u>\$ 3,164,105</u>

Source: Financial statements.

Note: The City of Albany implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

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CITY OF ALBANY
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST SEVEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General fund:							
Reserved	\$ 2,565,571	\$ 1,247,459	\$ 1,258,092	\$ 1,250,254	\$ 1,147,168	\$ 1,168,666	\$ 1,062,256
Unreserved	1,175,158	2,614,386	2,710,845	2,938,088	3,455,322	3,610,036	3,962,781
Total general fund	<u>\$ 3,740,729</u>	<u>\$ 3,861,845</u>	<u>\$ 3,968,937</u>	<u>\$ 4,188,342</u>	<u>\$ 4,602,490</u>	<u>\$ 4,778,702</u>	<u>\$ 5,025,037</u>
All other governmental funds:							
Reserved	\$ 14,015,359	\$ 14,006,950	\$ 14,065,409	\$ 14,889,072	\$ 14,520,677	\$ 25,037,890	\$ 19,763,094
Unreserved, reported in:							
Special revenue funds	1,826,290	1,745,347	3,153,947	2,160,838	2,621,275	3,730,164	3,482,584
Capital project funds	(1,569,470)	(270,093)	(234,453)	-	-	-	-
Debt service funds	<u>(426,778)</u>	<u>(432,272)</u>	<u>(400,232)</u>	<u>(372,053)</u>	<u>(95,260)</u>	-	-
Total all other governmental funds	<u>\$ 13,845,401</u>	<u>\$ 15,049,932</u>	<u>\$ 16,584,671</u>	<u>\$ 16,677,857</u>	<u>\$ 17,046,692</u>	<u>\$ 28,768,054</u>	<u>\$ 23,245,678</u>

Source: Various City financial records.

Note: The City of Albany has elected to show only six years of data for this schedule.

CITY OF ALBANY
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST SEVEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Revenues:							
Taxes:							
Property taxes	\$ 5,279,747	\$ 6,146,426	\$ 7,422,406	\$ 8,422,013	\$ 9,761,603	\$ 11,166,306	\$ 11,201,983
Sales taxes	1,339,720	1,356,985	1,599,449	2,042,834	2,242,377	2,182,934	2,223,083
Franchise and other taxes	3,656,177	4,506,463	4,557,311	4,442,459	4,317,435	4,134,888	3,945,897
Licenses and permits	175,403	347,046	211,607	198,028	154,028	177,175	172,802
Fines and forfeitures	333,702	281,592	216,450	153,619	188,961	268,989	266,947
Earnings on investments	322,236	353,941	474,975	954,645	1,369,677	1,497,516	748,686
Revenues from other agencies	3,446,053	2,329,432	2,425,620	1,535,641	2,468,194	1,939,306	4,556,572
Current services charges	1,397,153	1,564,775	1,533,115	1,623,230	1,816,051	2,058,844	2,196,001
Other revenue	275,747	1,599,794	335,769	470,547	354,783	432,524	577,232
Total revenues	<u>16,225,938</u>	<u>18,486,454</u>	<u>18,776,702</u>	<u>19,843,016</u>	<u>22,673,109</u>	<u>23,858,482</u>	<u>25,889,203</u>
Expenditures:							
Current:							
General government	3,915,322	3,906,930	3,432,867	2,439,092	2,012,690	2,521,740	2,629,347
Police	3,825,952	3,646,731	3,952,335	5,406,789	5,105,964	5,208,136	6,146,798
Fire and emergency medical services	2,742,208	2,940,876	3,184,594	4,402,565	4,012,777	4,189,362	5,105,908
Community development and environmental resources	2,800,042	3,275,181	3,018,197	3,353,064	3,732,634	4,054,703	5,585,603
Recreation and community services	1,470,303	1,650,727	1,831,098	2,003,205	2,129,736	2,418,940	2,644,054
Capital outlay	2,591,462	1,735,721	1,912,220	1,413,799	4,025,147	4,331,647	11,862,349
Debt service:							
Principal	329,952	351,083	477,923	534,540	551,063	540,000	730,000
Interest	246,333	384,147	470,372	460,800	446,623	670,707	921,849
Total expenditures	<u>17,921,574</u>	<u>17,891,396</u>	<u>18,279,606</u>	<u>20,013,854</u>	<u>22,016,634</u>	<u>23,935,235</u>	<u>35,625,908</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,695,636)</u>	<u>595,058</u>	<u>497,096</u>	<u>(170,838)</u>	<u>656,475</u>	<u>(76,753)</u>	<u>(9,736,705)</u>
Other financing sources (uses):							
Issuance of debt	8,002,787	-	-	-	-	11,500,000	3,840,146
Bond premium	-	-	-	-	-	310,756	-
Transfers in	3,300,298	4,668,815	3,666,021	4,596,338	4,867,586	4,610,329	4,539,768
Transfers out	(2,710,925)	(3,938,226)	(2,829,643)	(7,363,752)	(4,741,078)	(4,446,758)	(3,919,250)
Other sources	-	-	308,357	-	-	-	-
Total other financing sources (uses)	<u>8,592,160</u>	<u>730,589</u>	<u>1,144,735</u>	<u>(2,767,414)</u>	<u>126,508</u>	<u>11,974,327</u>	<u>4,460,664</u>
Net change in fund balances	<u>\$ 6,896,524</u>	<u>\$ 1,325,647</u>	<u>\$ 1,641,831</u>	<u>\$ (2,938,252)</u>	<u>\$ 782,983</u>	<u>\$ 11,897,574</u>	<u>\$ (5,276,041)</u>
Debt service as a percentage of noncapital expenditures	3.9%	4.8%	6.2%	5.7%	5.9%	6.6%	7.5%

Source: Financial statements.

Note: The City of Albany has elected to show only seven years of data for this schedule. The deficit in fiscal year 2006 was caused by the fund transfers to the internal service fund from the general fund. The transfers were to cover the workers compensation and general claims liabilities transferred to the internal service fund. As a result of this reclassification, a prior period adjustment in the amount of \$3,250,843 was recorded in the general fund. This adjustment offsets the deficit in change of fund balances.

CITY OF ALBANY
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST EIGHT FISCAL YEARS

Fiscal Year	City				Redevelopment Agency				Total Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2002	\$ 1,099,261,478	\$ 23,877,056	\$ (40,716,651)	\$ 1,082,421,883	\$ 17,886,683	\$ 2,879,039	\$ -	\$ 20,765,722	\$ 10.993
2003	1,168,926,831	25,519,959	(44,656,389)	1,149,790,401	20,124,273	3,222,655	-	23,346,928	10.993
2004	1,254,009,051	27,641,504	(45,551,795)	1,236,098,760	21,013,185	3,743,462	-	24,756,647	11.375
2005	1,362,896,003	25,370,594	(45,609,972)	1,342,656,625	24,387,612	3,525,924	-	27,913,536	11.345
2006	1,503,322,634	26,840,708	(46,073,595)	1,484,089,747	44,405,587	4,324,536	-	48,730,123	11.311
2007	1,636,617,663	26,512,627	(46,967,897)	1,616,162,393	47,806,043	3,357,892	-	51,163,935	11.281
2008	1,744,827,893	29,760,151	(48,341,001)	1,726,247,043	48,827,463	3,702,682	-	52,530,145	11.653
2009	1,830,306,012	26,778,351	(51,036,751)	1,806,047,612	49,171,881	4,120,331	-	53,292,212	-

Source: Alameda County Auditor-Controller Office and City financial records.

Note: In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxes. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

CITY OF ALBANY
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Rates per \$1,000 of assessed value)
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Direct Rates:								
1% county tax	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000	\$ 10.000
City Direct Rate	<u>0.993</u>	<u>0.993</u>	<u>1.375</u>	<u>1.345</u>	<u>1.311</u>	<u>1.281</u>	<u>1.668</u>	<u>1.653</u>
Total Direct Rate	10.993	10.993	11.375	11.345	11.311	11.281	11.668	11.653
Overlapping Rates:								
Albany Unified School District	1.403	1.481	1.312	1.611	1.316	1.653	1.284	1.451
Peralta Community College	0.154	0.176	0.159	0.208	0.238	0.272	0.223	0.362
Bay Area Rapid Transit	-	-	-	-	0.048	0.050	0.076	0.090
East Bay Regional Park	0.072	0.065	0.057	0.057	0.057	0.085	0.080	0.100
East Bay Mud Special District 1	<u>0.084</u>	<u>0.084</u>	<u>0.079</u>	<u>0.076</u>	<u>0.072</u>	<u>0.068</u>	<u>0.065</u>	<u>0.064</u>
Total Direct and Overlapping Rate	<u>\$ 12.706</u>	<u>\$ 12.799</u>	<u>\$ 12.982</u>	<u>\$ 13.297</u>	<u>\$ 13.042</u>	<u>\$ 13.409</u>	<u>\$ 13.396</u>	<u>\$ 13.720</u>

Source: Alameda County Treasurer and Tax Collector

Note: In 1978, California votes passed Proposition 13 which sets the property tax rate at 1.00% assessed value. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% and other direct taxes listed in the table, property owners are charged various fixed charges and special assessments.

CITY OF ALBANY
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Assessed Name	2009		2000	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Ladbroke Land Holdings, Inc.	\$ 47,257,937	2.74%	\$ -	0.00%
Target Corporation	30,680,435	1.78%	-	0.00%
ESMHT, LLC	11,328,475	0.66%	-	0.00%
Eichner, Erik & Rose	7,326,867	0.42%	5,895,444	0.69%
Villa De Albany, LLC	6,880,340	0.40%		0.00%
Fire in the Hole, LLC	5,374,168	0.31%		0.00%
Biggs, Edward & Charlotte	5,240,828	0.30%	8,818,105	1.03%
Albany Bowl Properties	4,494,916	0.26%	3,079,405	0.36%
Nassiri Matt & Farrokhtala Katy Trs Etal Exmp Trust	4,168,638	0.24%	-	0.00%
Hillside Partners	1,782,322	0.10%	-	0.00%
Magna Entertainment Corporation	-	0.00%	16,240,665	1.89%
Safeway, Inc.	-	0.00%	3,970,428	0.46%
Farrokhtaka, Javad & Kafieh	-	0.00%	3,419,434	0.40%
Union Pacific	-	0.00%	3,338,785	0.39%
Rago Basil	-	0.00%	1,161,402	0.14%
Top Ten Total	<u>\$ 124,534,926</u>	<u>7.21%</u>	<u>\$ 45,923,668</u>	<u>5.35%</u>
City Total	<u>\$ 1,726,247,043</u>		<u>\$ 858,578,690</u>	

Source: Alameda County Auditor-Controller Office

Note: The amounts shown above include assessed value data for both the City and the Redevelopment Agency.

CITY OF ALBANY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST EIGHT FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2002	\$ 2,300,137	\$ 2,245,812	97.64%
2003	2,367,418	2,306,724	97.44%
2004	2,466,661	2,413,152	97.83%
2005	2,713,815	2,657,474	97.92%
2006	3,264,081	3,463,063	106.10%
2007	3,671,315	3,603,724	98.16%
2008	3,858,156	3,756,485	97.36%
2009	3,769,676	3,962,712	105.12%

Source: Alameda County Auditor-Controller Office

Notes:

(1) The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the Redevelopment Agency that were passed-through to other agencies.

(2) Subsequent collections are reported in year of collection.

CITY OF ALBANY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST EIGHT FISCAL YEARS

Fiscal Year	Governmental Activities			Total Governmental Activities	Business-type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Certificates of Participation	Other		Sewer Revenue Bonds			
2002	\$ -	\$ 3,620,000	\$ -	\$ 3,620,000	\$ 3,430,000	\$ 7,050,000	1.11%	\$ 421
2003	8,000,000	3,315,000	-	11,315,000	3,215,000	14,530,000	2.23%	865
2004	8,000,000	2,995,000	-	10,995,000	2,990,000	13,985,000	2.05%	837
2005	7,875,000	2,670,000	-	10,545,000	8,675,000	19,220,000	2.67%	1,148
2006	7,715,000	2,325,000	-	10,040,000	8,355,000	18,395,000	2.41%	1,103
2007	7,550,000	1,965,000	-	9,515,000	8,030,000	17,545,000	Not available	1,049
2008	18,885,000	1,590,000	-	20,475,000	7,700,000	28,175,000	Not available	1,669
2009	18,550,000	1,195,000	3,840,146	23,585,146	7,360,000	30,945,146	Not available	1,834

Source: City of Albany financial reports
Alameda County Auditor-Controller Office
California Department of Finance

Notes:

- (1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.
- (2) The Sewer Revenue Bonds outstanding at 2004 were refunded by issuance of revenue bonds of \$8,675,000 in 2005.
- (3) The county personal income is used for the percentage of personal income calculation. The data at the city level is not available.
- (4) "Other" type of debt includes notes payable and lease purchases.

CITY OF ALBANY
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST SEVEN FISCAL YEARS

Fiscal Year	Outstanding General Bonded Debt		Percentage of Assessed Value	Per Capita
	General Obligation Bonds			
2003	\$ 8,000,000		0.70%	\$ 476
2004	8,000,000		0.65%	479
2005	7,875,000		0.59%	470
2006	7,715,000		0.52%	463
2007	7,550,000		0.47%	452
2008	18,885,000		1.09%	1,119
2009	18,550,000		1.03%	1,099

Source: City of Albany financial reports
Alameda County Auditor-Controller Office
California Department of Finance

Notes:

(1) Percentage of assessed value is presented because the actual value of taxable property is not readily available in the State of California.

(2) The general obligation bonds were issued in fiscal years 2002-03 and 2007-08 for \$8,000,000 and \$11,500,000, respectively .

CITY OF ALBANY
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2009

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/09	% Applicable (1)	City's Share of Debt 6/30/09
Bay Area Rapid Transit District	\$441,360,000	0.406%	\$ 1,791,922
Peralta Community College District	354,825,000	3.212	11,396,979
Albany Unified School District	35,665,000	100.000	35,665,000
City of Albany	18,550,000	100.000	18,550,000
East Bay Municipal Utility District, Special District No. 1	29,785,000	2.956	880,445
East Bay Regional Park District	125,850,000	0.599	753,842
City of Albany Assessment District No. 1996-1	4,045,000	100.000	<u>4,045,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$73,083,188

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda County General Fund Obligations	\$445,402,000	1.024%	\$ 4,560,916 (2)
Alameda County Pension Obligations	203,020,721	1.024	2,078,932
Peralta Community College District Pension Obligations	155,369,090	3.212	4,990,455
Alameda-Contra Costa Transit District Certificates of Participation	42,765,000	1.236	528,575
City of Albany Certificates of Participation	1,195,000	100.000	<u>1,195,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$13,353,878

COMBINED TOTAL DEBT \$86,437,066 (3)

- (1) Percentage of overlapping agency's assessed valuation located within the boundaries of the city.
(2) Includes share of City of Oakland-Alameda County Coliseum obligations.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:

Direct Debt (\$18,550,000) **1.01%**
Total Direct and Overlapping Tax and Assessment Debt 3.99%

Ratios to Adjusted Assessed Valuation:

Combined Direct Debt (\$19,745,000) **1.10%**
Combined Total Debt 4.83%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

Source: California Municipal Statistics, Inc.

Notes:

- (i) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.
- (ii) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF ALBANY
LEGAL DEBT MARGIN INFORMATION
LAST SEVEN FISCAL YEARS

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Assessed valuation	\$ 1,082,421,883	\$ 1,149,790,401	\$ 1,236,098,760	\$ 1,342,656,625	\$ 1,484,089,747	\$ 1,616,162,393	\$ 1,726,247,043	\$ 1,806,047,612
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	\$ 270,605,471	\$ 287,447,600	\$ 309,024,690	\$ 335,664,156	\$ 371,022,437	\$ 404,040,598	\$ 431,561,761	\$ 451,511,903
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	40,590,821	43,117,140	46,353,704	50,349,623	55,653,366	60,606,090	64,734,264	67,726,785
Total net debt applicable to limit: General obligation bonds	-	8,000,000	8,000,000	7,875,000	7,715,000	7,550,000	18,885,000	18,550,000
Legal debt margin	<u>\$ 40,590,821</u>	<u>\$ 35,117,140</u>	<u>\$ 38,353,704</u>	<u>\$ 42,474,623</u>	<u>\$ 47,938,366</u>	<u>\$ 53,056,090</u>	<u>\$ 45,849,264</u>	<u>\$ 49,176,785</u>
Total debt applicable to the limit as a percentage of debt limit	0.00%	18.55%	17.26%	15.64%	13.86%	12.46%	29.17%	27.39%

Source: City of Albany financial reports
Alameda County Auditor-Controller Office

Note: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

CITY OF ALBANY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST EIGHT CALENDAR YEARS

Calendar Year	City Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (3)
2001	16,700	\$ 56,121,667	\$ 38,147	4.8%
2002	16,750	55,316,772	37,755	6.7%
2003	16,800	56,424,129	38,712	6.9%
2004	16,700	59,339,211	40,915	5.9%
2005	16,743	62,166,468	42,974	5.1%
2006	16,680	66,325,334	45,689	4.5%
2007	16,722	Not available	Not available	4.8%
2008	16,877	Not available	Not available	6.1%

Source: (1) California Department of Finance
 (2) Office of Economic Development
 (3) State of California Employment Development Department

Note: Data shown for personal income, per capita personal income and unemployment is for the county.

CITY OF ALBANY
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Company	Product /Service	2009		1999
		Number of Employees	Percent of Total Employment	Number of Employees
United States Department of Agriculture and Research	Agricultural Research	275	2.99%	300
Albany Unified School District	Education	404	4.39%	381
Golden Gate Fields	Race Track	267	2.90%	600
Target Store	Department Store	231	2.51%	Not applicable
City of Albany	Government	105	1.14%	98
St. Mary's College High School	School	71	0.77%	Not available
Albany Bowl	Bowling	50	0.54%	30
California Orientation Center for the Blind	Skills Assessment Center	32	0.35%	41
Safeway Store	Retail Grocery	49	0.53%	100
Fonda	Restaurant	28	0.30%	Not applicable
United States Department of Forest Services	Forest Research	-	0.00%	76
Albany Ford Subaru	Automotive Dealer	56	0.61%	65
VCA Albany Animal Hospital	Pet Care	30	0.33%	Not available

"Total Employment" as used above represents the total employment of all employers located within City limits.

Source: City of Albany business license applications and survey of employers
State of California Employment Development Department

CITY OF ALBANY
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
 LAST EIGHT FISCAL YEARS

Function	Full-time Equivalent Employees as of June 30							
	2002	2003	2004	2005	2006	2007	2008	2009
General government	12	12	12	12	12	12	12	12
Public safety	59	59	59	61	61	61	61	62
Public works	10	10	10	10	10	10	10	10
Community development	9	9	9	12	12	12	12	11
Recreation	9	9	9	9	9	11	11	10
Total	<u>99</u>	<u>99</u>	<u>99</u>	<u>104</u>	<u>104</u>	<u>106</u>	<u>106</u>	<u>105</u>

Source: City of Albany Finance Department

CITY OF ALBANY
OPERATING INDICATORS BY FUNCTION
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Police:								
Arrests	462	506	703	537	663	850	814	884
Parking citations issued	Not available	13,247	9,627	6,665	4,717	7,057	8,193	8,109
Fire:								
Number of emergency calls	1,373	1,364	1,316	1,360	1,515	1,525	1,620	1,600
Inspections	750	750	750	750	750	750	750	800
Parks and Recreation:								
Number of recreation classes	525	670	877	871	821	780	798	612
Number of facility rentals	1,151	1,252	1,507	852	755	458	598	674

Source: Various City records.

CITY OF ALBANY
CAPITAL ASSET STATISTICS
LAST EIGHT FISCAL YEARS

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Police:								
Stations	1	1	1	1	1	1	1	1
Fire:								
Stations	1	1	1	1	1	1	1	1
Public Works:								
Street (miles)	29	29	29	29	29	29	29	29
Streetlights	870	870	870	870	870	870	870	870
Traffic signals	15	15	15	15	15	15	15	16
Parks and Recreation:								
Parks	8	8	8	8	8	8	8	8
Community centers	1	1	1	1	1	1	1	1
Wastewater:								
Sanitary sewers (miles)	35	35	35	35	35	35	35	35
Storm sewers (miles)	7	7	7	7	7	7	7	7

Source: Various City records.

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